NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND

NSA/CSS CIR. NO. 5000R*
DATE: 9 January 2001

NSA/CSS CIRCULAR

ACQUISITION MANAGEMENT

SECTION I - REFERENCES

1. References:

a. DoD Directive 5000.1, Defense Acquisition, 15 March 1996, through Change 4 dated 11 May 1999.

b. DoD Regulation 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Program, 15 March 1996, through Change 4 dated 11 May 1999.

c. Clinger-Cohen Act (also known as the Information Technology Management Reform Act (ITMRA) of 1996.

d. CJCSI 3170.01, Requirement Generation System (Formerly MOP 77), 13 June 1997

*This circular (NSA/CSS Cir. 5000R) supersedes NSA/CSS Cir. 5000, Acquisition Management, dated 1 April 1998, and Change 1 thereto.

OPI: Acquisition Policy & Reform ((301) 688-7881)

SECTION II - PURPOSE

2. This Circular implements the principles of DoD Directive 5000.1, DoD Regulation 5000.2-R, and OMB Circular A-11 within the National Security Agency/Central Security Service (NSA/CSS). It establishes basic objectives, policies, procedures, and responsibilities for acquisition management. This Circular will be updated continuously to reflect activities affecting NSA acquisition management, e.g., DA organizational responsibilities, NSA business process improvements, DoD 5000 updates, Intelligence Community best practices, DCI SAE guidance, Intelligence Community Acquisition Council deliberations, and commercial best practices.

SECTION III - POLICY

3. The policies in this Circular govern acquisition management by NSA/CSS and establish a disciplined approach for integrating the efforts and products of the requirements generation, acquisition management, and planning, programming, and budgeting systems.

4. Central to the updated DoD acquisition policy is the recognition that streamlining throughout the acquisition process is needed, but streamlining must be balanced with robust oversight and review procedures to reduce risk, ensure affordability, and provide adequate information for decision making that will provide needed capabilities to satisfy mission needs in the shortest practical time. NSA/CSS will accomplish both objectives by requiring the following of each acquisition program and its managers:

a. A Total System Approach. This Circular promotes management of acquisition programs to optimize total system performance and minimize life-cycle costs. The Program Manager (PM) shall ensure that a systems engineering process is used to translate operational needs and/or requirements into a system solution that includes the design, development, integration, test and evaluation, and support processes and products. This process shall establish a proper balance between performance, risk, cost, and schedule, employing a top-down iterative process of requirements analysis, functional analysis and allocation, design synthesis and verification, and system analysis and control.

b. Hierarchy of Materiel Alternatives. In response to operational requirements, priority consideration shall always be given to the most cost - effective solution over a system’s life cycle. Generally, reuse or modification of systems or equipment that NSA or DoD already owns is more cost-effective than acquiring new materiel. If existing NSA or DoD systems or other on-hand materiel cannot be economically reused or modified to meet the operational requirement, an acquisition program may be justified and acquisition decision-makers shall observe the following hierarchy of alternatives: (1) the procurement (including modification) of commercially available systems or equipment, the additional production (including modification) of already-developed NSA or DoD systems or equipment, or Allied systems or equipment; (2) cooperative development program with one or more Allied nations; (3) new joint DoD development program; and (4) a new NSA-unique development program. Important in this evaluation process for new or modified systems are considerations for compatibility, interoperability, and integration with existing and future components or systems.

c. Open Systems. PMs shall establish open systems objectives and document their approach specifying the level(s) of openness of system, subsystems, and/or components to be acquired, and devise an open system strategy to achieve these

objectives. An open system strategy focuses on fielding superior capability more quickly and more affordably by using multiple suppliers and commercially supported practices, products, specifications, and standards, that are selected based on performance, cost, industry acceptance, long term availability and supportability, and upgrade potential. PMs are also required to document the means for assuring conformance to open systems and determining the extent of openness of system, subsystems and/or components.

d. Software Engineering. Software shall be managed and engineered using best processes and practices that are known to reduce cost, schedule, and performance risks. This Circular promotes policy to design and develop software based on systems engineering principles to include:

(1) Software systems architectures that support open system concepts; exploit commercial off-the-shelf (COTS) computer systems products; and provide for incremental improvements based on modular, reusable, extensible software;

(2) Identifying and exploiting software reuse opportunities, Government and commercial, before beginning new software development;

(3) Selection of programming language in the context of the systems and software engineering factors that influence overall life cycle costs, risks, and potential for interoperability;

(4) Selecting contractors with the domain experience in developing comparable software systems, a successful past performance record, and a demonstrable mature software development capability and process; and

(5) Use of a software measurement process in planning and tracking the software program, and to assess and improve the software development process and associated software product.

(6) Ensuring that information security/assurance risks have been assessed and mitigated.

e. Fiscal Responsibility. Cost shall be viewed as an independent variable. Acquisition management is expected to establish aggressive but realistic objectives for all programs and follow through by trading off performance and schedule, beginning early in the program when the majority of costs are determined, to achieve a balanced set of goals. Fiscal responsibility requires fiscal restraint, which promotes planning, programming, and budgeting of needed resources and execution of those resources only in the fiscal years for which the funds were appropriated. The PM is required to report Cost Performance IPT findings to OIPT prior to each major decision point for Major programs. Major Program Managers shall have established life cycle cost objectives for the program through consideration of projected out-year resources, recent unit costs, parametric estimates, mission effectiveness analysis and trades, accident attrition trade studies, technology trends, and other relevant considerations such as commercial versus DoD specifications and the open systems strategy and design. A complete set of life cycle cost objectives shall include RDT&E, production, MILCON, operating and support, and disposal costs. At each subsequent major review, cost objectives and progress towards achieving them shall be reassessed.

f. (U) Affordability. Affordability is the degree to which the life cycle cost of an acquisition program is in consonance with the long-range investment and force

structure plans of the Department of Defense or individual DoD Components. Components shall plan programs based on realistic projections of likely funding available in the Future Years Defense Program (FYDP) and in years beyond the FYDP. Senior Acquisition Executives (SAE) shall plan programs consistent with the DoD Strategic Plan, NSA/CSS's National Cryptologic Strategy for the 21st Century (NCS-21), the NSA Information Technology (IT) Strategic Plan, the Joint Technical Architecture (JTA), the Unified Cryptologic Architecture, the NSA/CSS Strategic Plan 2001-2006, the NSA/CSS SIGINT Business Plan, the ISSO Business Plan and projected threats, based on realistic projections of likely funding available in the FYDP and in years beyond the FYDP.

g. Accountability. Accountability for overall program performance shall be accomplished throughout a program's life by requiring that core management issues, exit criteria, and cost, schedule, and performance thresholds have been satisfied at each major decision point before a program may progress to the next acquisition phase. The Program Deviation Reporting Process (PDRP) in Annex J applies.

h. Program Protection. Sponsors and PMs shall identify elements of the program, classified or unclassified, that require protection to prevent unauthorized disclosure or inadvertent transfer of critical program technology or information. Program protection planning shall begin early in the acquisition life cycle and be updated as required. The planning process shall incorporate risk management and threat-based countermeasures to provide cost-effective protection. Systems engineering activities shall encourage, as technology advances allow, a process which makes use of encryption, packaging/bundling, and other tamper-proofing techniques to ensure maximum protection of all critical program technology or information. When appropriately applied, the process meets the requirements of information assurance, defensive information warfare, classification management, TEMPEST, counterintelligence, physical security, personnel security, operations security, international security, technology transfer, and special access programs (DoDD 5200.39, Security, Intelligence, and Counterintelligence Support to Acquisition Program Protection).

i. Information Assurance. Information Security (IS) shall be managed and engineered using best processes and practices that are known to reduce security risks, including the risks to timely accreditation. Information assurance requirements shall be included as part of program and systems design activities to ensure availability, integrity, authentication, confidentiality, and non-repudiation of critical program technology and information. This includes providing for the restoration of ISs by incorporating protection, detection, and reaction capabilities. Information assurance requirements shall be established and maintained throughout the acquisition life cycle for all Major and Special Interest programs and others as applicable. All AISs shall meet security requirements in accordance with NSA/CSS Directive 130-1 (Operational ISs and Network Security Policy), and National Policy Governing the Acquisition of Information Assurance and IA-Enabled Information Technology Products - NSTISSP #11, Jan 2000.

j. Teamwork. DoD acquisition policy recognizes the importance of working as cross-functional teams to build successful programs, identify problems early, and maintain a cooperative spirit of resolution, thereby providing programs the highest opportunity of success. Multidisciplinary integrated product teams (IPTs) shall be utilized in oversight and review; and to optimize the design, manufacturing, and acquisition logistics processes as well as facilitate meeting cost, schedule, and performance objectives from product concept through production and field support. The IPT

Guidelines in Annex I apply.

k. Tailoring. One size does not fit all. While all programs must accomplish certain core activities and a minimum set of documentation is required for each acquisition program, the appropriate Major Decision Authority (MDA) should strive to tailor most aspects of the acquisition process, including program documentation, acquisition phases, and the timing, scope, and level of decision reviews. Tailoring shall be accomplished in accordance with Annex M.

l. Empowerment. DoD acquisition policy does not reduce responsibility, but balances responsibility with authority. Program managers do not have to ask permission to take actions that are otherwise permitted by law and are within the scope of their charters.

m. Use of Commercial Products. This Circular implements the federal government's statutory preference for the acquisition of commercial items by federal agencies. Acquisition of commercial items, components, processes, and practices provides rapid and affordable application of these technologies to validated NSA/CSS mission needs. See the DoD handbook entitled, "Buying Commercial & Nondevelopmental Items." The handbook is available in the Defense Acquisition Deskbook's reference library.

n. Use of Best Practices. Acquisitions, modeled on sound business practices, must take into account customary commercial practices in developing acquisition strategies and contracting arrangements.

o. Contract Management Council/Single Process Initiative: The Defense Contract Management Agency (formerly Defense Contract Management Command under the Defense Logistics Agency) has formed a Management Council to review and approve Single Process Initiative (SPI) proposals submitted by contractors. NSA provides a representative to the Management Council. Refer to the Office of Contracting (OC) Home Page for NSA's SPI procedures.

p. Competition in Contracting. Competition shall be used to the maximum extent practicable and in accordance with NSA/CSS Regulation 61-3.

q. Acquisition Logistics Requirements. Support requirements shall be identified as performance requirements because they are integral to a program's operational effectiveness, operational suitability, and life cycle cost reduction. The Acquisition Logistics Manager (ALM), under the direction of the PM, shall conduct acquisition logistics management activities throughout the system development to ensure the design and acquisition of systems that can be cost-effectively supported and to ensure that these systems are provided to the user with the necessary support infrastructure for achieving the user's readiness and sustainability requirements.

r. Validated Mission Needs. Sponsors shall document the relationship of an initiative to the latest national security policy, national military strategy, Defense Planning Guidance, Cryptologic Planning Guidance, Program Procedural Instructions and CFM Program Guidance, NSA/CSS's National Cryptologic Strategy for the 21st Century (NCS-21), the NSA Information Technology (IT) Strategic Plan, the Joint Technical Architecture (JTA), the Unified Cryptologic Architecture, the NSA/CSS Strategic Plan, the NSA/CSS SIGINT Business Plan, the ISSO Business Plan, and projected threats. In addition, if the mission need is based on a military or intelligence threat and the program

will be reviewed by the Defense Acquisition Board, Defense Intelligence Agency (DIA) validation of the threat information is required. SAEs shall plan programs consistent with the DoD Strategic Plan, and based on realistic projections of likely funding available in the Future Years Defense Program (FYDP) and in years beyond the FYDP.

s. **Extensive Customer Participation. The customer's participation in all phases of the acquisition management process is a necessary ingredient in any program's success.**

t. Use of Performance Specifications. Performance specifications shall be used to the maximum extent practicable in solicitations and contracts when purchasing new systems, major modifications, and commercial and nondevelopmental items. Standard government-specified management approaches or manufacturing processes shall not be required in solicitations and contracts. The use of military specifications and standards is authorized as a last resort, with an appropriate waiver or exception from the MDA. Refer to the standards waiver policy and procedures issued by the NSA/CSS Center for Standards.

u. Requirements Evolution. Requirements shall be refined at successive major decision points, as a consequence of cost-schedule-performance trade-offs during each phase of the acquisition process. The evolution of requirements, refined as the program matures, must remain consistent with the program's initial broad statements of operational capability. In the process of refining requirements, key concepts that should be adhered to include: (1) keeping all reasonable options open and facilitating trade-offs throughout the acquisition process-open systems objective (para b. & c. above); (2) avoiding early commitments to system-specific solutions, to include avoiding early commitments to solutions that would inhibit future insertion of commercial off-the-shelf equipment or components; (3) defining requirements in broad operational capability terms; and (4) using minimum acceptable operational performance thresholds to establish operational test criteria.

v. Use of Non-Traditional Acquisition Techniques. Where appropriate, acquisition management shall make use of non-traditional acquisition techniques to meet the user's needs in a timely manner. Such techniques include Advanced Concept Technology Demonstrations, Advanced Technology Demonstrations, reinvention labs, rapid prototyping, evolutionary and incremental acquisition, and flexible technology insertion. MDAs are required to promote increased consideration of technological issues at each acquisition program decision by considering (1) any position paper prepared by a Defense research facility on a technological issue relating to the major AIS being reviewed and (2) any technological assessment made by a Defense research facility. A defense research facility is defined as a DoD facility that performs or contracts for the performance of (a) basic research or (b) applied research known as exploratory development.

w. Prudent Risk Management. Prudent risk management requires continual assessment of program risks. Risks must be well understood, and risk management approaches shall be developed before decision authorities can authorize a program to proceed into the next phase of the acquisition process. Risk management encompasses identification, mitigation, continuous tracking, and control procedures that feed back through the program assessment process to decision authorities.

x. Environment, Safety, and Health (ESH). All programs, regardless of acquisition category, shall be conducted in accordance with applicable federal, state, interstate, and local environmental laws and regulations, Executive Orders (EOs),

treaties, and agreements. ESH analyses shall be conducted to integrate ESH issues into the systems engineering process and to support development of the ESH evaluation. The ESH evaluation describes the PM's strategy for meeting ESH requirements, establishes responsibilities, and identifies how progress will be tracked. The PM shall ensure that the system can be tested, operated, maintained, repaired, and disposed of in compliance with environmental regulations. The PM shall work with the ESH OPI to meet these requirements in conformance with NSA/CSS Regulation 142-01, Environmental Management Program.

y. Documentation Updates. Continuous updating of acquisition documents is required to reflect an acquisition program's requirements evolution and to support decision-making. Document updates shall be accomplished as specified in Section VII of this Circular.

z. Modeling and Simulation (M&S) Approach. Modeling and simulation shall be applied, as appropriate, throughout the system life cycle in support of acquisition activities such as requirements definition, program management, design and engineering, efficient test planning, and results prediction; and to supplement actual test and evaluation, manufacturing, and logistics support. In collaboration with industry, PMs shall interface the use of modeling and simulation within program planning activities; plan for life cycle application, support, and reuse of models and simulations; and integrate modeling and simulation across the functional disciplines.

aa. Warranties. The PM shall examine the value of warranties on major systems and pursue such warranties when appropriate and cost-effective. When appropriate, the PM shall incorporate warranty requirements into major systems contracts in accordance with FAR Part 46.7.

bb. Government Property in the Possession of Contractors (GPPC). Government Furnished Property (GFP) may be provided to a contractor and/or Contractor Acquired Property (CAP) may be acquired by a contractor in accordance with FAR Part 45 and DFARS Part 245. Government Property (GP) includes both GFP and CAP. The PM is responsible for developing the GP strategy (i.e., only provide GFP when necessary to achieve significant economy, standardization, or expedited production, or when otherwise in the Government's interest), monitoring the continued need for the GP by the contractor and providing timely disposition instructions to the cognizant Contracting Officer (CO) for all GP identified as excess by the contractor. The PM or designee shall prepare a Requisition &Invoice/Shipping Document, DD Form 1149, for all GFP being furnished to the contractor and obtain cognizant CO and Custodial Property Officer approval on the DD form 1149 prior to delivery to the contractor. The PM is responsible for continued oversight of the GFP in the possession of the contractor. The PM or designee shall provide disposition instructions for all GP not previously disposed of to the cognizant CO within 30 days of contract completion provided that a complete list of the GP has been received from the contractor. GP should normally not be retained by the contractor when determined to be excess. In the event that the excess GP is retained by the contractor with the PM's approval, a storage agreement should be executed between the contractor and the cognizant CO.

cc. Training and Education. NSA will comply with the Defense Acquisition Workforce Improvement Act (DAWIA) consistent with existing statutory controls and/or exemptions as delineated in NSA/CSS Regulation 41-03, Acquisition Career Development Program (ACDP).

SECTION IV - SCOPE

5. Acquisition programs fall under specific acquisition categories. Management procedures will vary according to each program's size, risk, and complexity. This Circular prescribes the phases, decision points, decision authorities, and documentation required for NSA/CSS's acquisition programs. See the acquisition management matrix at Annex B:

a. Major:

(1) A Major Automated Information System (MAIS) acquisition program estimated by the Assistant Secretary of Defense Command, Control, Communications, and Intelligence) (ASD (C3I)) or the NSA SAE to require program costs for any single year in excess of $30 million in FY 96 dollars, total program costs in excess of $120 million in FY 96 dollars, or total life-cycle costs in excess of $360 million in FY 96 dollars, or those designated by the ASD (C3I) or the NSA SAE to be Major programs. MAIS programs on which ASD (C3I) is the MDA are designated Major External programs. MAIS programs on which the NSA SAE is the MDA are designated Major Internal programs. The NSA SAE will make an initial determination as to whether NSA's Major programs will be elevated to the ASD (C3I) level and review this determination with ASD (C3I). NSA 5000R procedures shall apply, which provide for satisfaction of mandatory DoD 5000.2-R procedures.

(2) A non-AIS acquisition program that does not meet the criteria for a major weapons system but (1) is considered a major system as designated by the NSA/CSS Senior Acquisition Executive (SAE) or (2) estimated by the SAE to require eventual expenditure for research, development, test, and evaluation of more than $135million in FY 96 dollars or for procurement of more than $640 million in FY 96 dollars. The MDA for NSA/CSS's major internal acquisition programs is the SAE.

b. Special Interest: A program that requires corporate management visibility and control due to development risk, urgency of need, external interest, or special resource requirements. The NSA SAE determines which programs shall be designated Special Interest. NSA 5000R procedures apply. The NSA SAE is the MDA for Special Interest programs.

c. Other: An acquisition program that does not meet the criteria for Major or Special Interest.

d. The following shall also pertain when determining acquisition category applicability.

(1) the following shall be aggregated and considered a single acquisition program: (a) the separate initiatives that constitute a multi-element program; (b) the separate initiatives that make up an evolutionary or incrementally developed program; or (c) the separate initiatives that make up a multi-component program.

(2) when cost growth or a change in acquisition strategy results in reclassifying a formerly lower acquisition category program.

(3) Any modification that is of sufficient cost and complexity that it could

itself qualify as a Major program shall be considered for management purposes as a separate acquisition effort. Modifications that do not cross the Major program threshold shall be considered part of the program being modified. If the program is no longer in production, the modification shall be considered a separate acquisition effort. Modifications may cause a program baseline deviation. Deviations shall be reported using the procedures in Annex J, unless the program is no longer in production.

e. Acquisition Decision Review Boards. Overarching IPTs (OIPTs). and Working-level IPTs (WIPTs). Integrated product/process teams shall be utilized in program support and oversight and review. Each acquisition program will be supported by its acquisition category-appropriate OIPT and at least one WIPT. Working-level IPTs for all acquisition categories are formed at the program manager's discretion and are led at his direction. The Cost-Performance IPT is required for Major programs. See Annex I for additional information on IPTs.

(1) Major and Special Interest Programs. The Acquisition Review Board (ARB) is established to advise the SAE on critical issues concerning these programs. Staff support to the ARB will be led by the Senior Acquisition Executive (SAE)/ Plans & Policy (P&P) organization.

(2) Other Programs. Decision review boards for other-than Major and Special Interest programs are established at the MDA's discretion.

6. General Scope of MDA Responsibilities. The MDA is responsible for exercising management control and decision and approval authority over acquisition programs throughout the acquisition process. This responsibility includes the assignment of DAWIA certified PMs and ALMs to programs. See Section IX for additional MDA responsibilities.

SECTION V - APPLICABILITY

7. This Circular applies to all acquisition programs acquired or managed by NSA/CSS, including those funded by. The SAE organization will oversee acquisition programs costing $5M (total program cost) or more. Key Component, SCE, and Service chiefs will oversee programs below $5M and will lead the OIPT for Major programs costing $5M or more, unless designated as Special Interest programs by the SAE.

8. Normally excluded from this Circular are funds to operate, maintain, or support the existing cryptologic mission operations and agency infrastructure (replacements or upgrades are not exempt); and RDT&E funds for advanced research and development studies or technology initiatives not intended to benefit directly a specific acquisition program or programs. The management principles described herein should be used on acquisition activities related to excluded items.

9. (U) Programs normally exempt from the provisions of this Circular may be required to abide by its provisions if there is a change in the factors which originally led to the exemption, or if corporate management visibility and control are required due to development risk, urgency of need, external interest, or special resource requirements. Such determinations, including review of proposals to tailor the provisions of this Circular, will be made by the DA organization.

SECTION VI- DEFINITIONS

10. See Annex A.

SECTION VII - PROCEDURES

11. The integrated management framework that encompasses the NSA/CSS acquisition community consists of three major decision making support systems: (1) the NTO-sponsored Requirements Generation System produces information for decision-makers on projected mission needs; (2) the CFM-sponsored Planning. Programming. and Budgeting System and Capabilities Program and Budgeting System provide the basis for making informed affordability assessments and resource allocation decisions on defense acquisition programs; and (3) the SAE-sponsored Acquisition Management System provides for a streamlined management structure and event-driven process that explicitly links major decisions to demonstrated accomplishments and is the means for translating mission needs into deliverable products effectively and efficiently. All three systems operate continuously and concurrently to assist senior DoD and NSA/CSS officials make critical decisions. The information derived from these systems permit senior officials to plan for the future, allocate resources to meet the highest national priorities, and execute the current budget. Figure 1 shows the linkage between the Requirements, Budgeting, and Acquisition Management Systems.

INTEGRATED MANAGEMENT FRAMEWORK

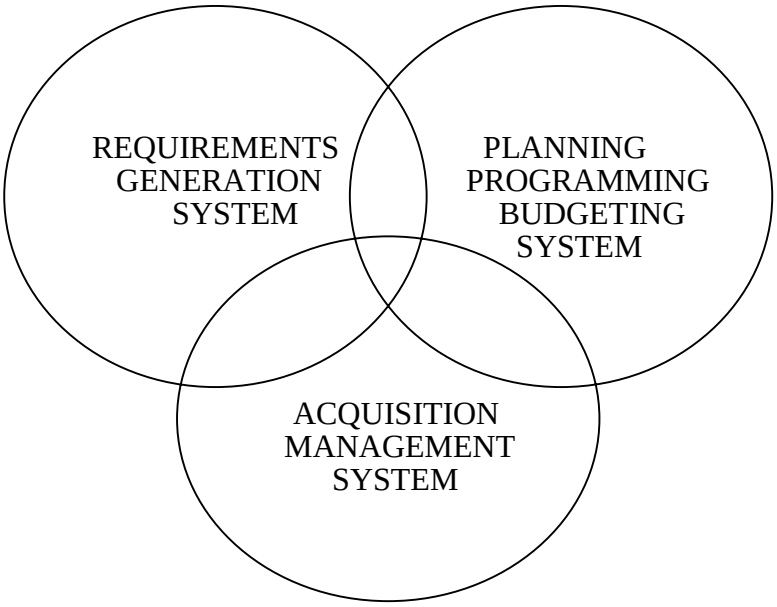
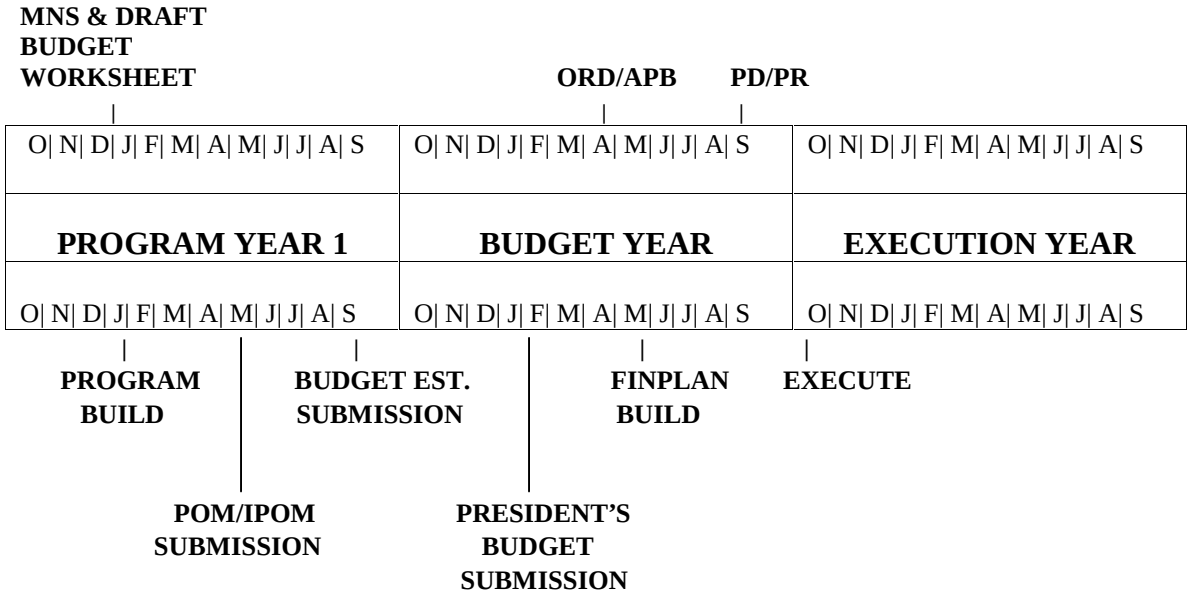


Figure 1

PROGRAM - BUDGET LINKAGE



NOTE: Dates shown above depicting program budget activities may change annually depending upon availability of DoD/CMS Program Guidance. Suspense dates for acquisition management documents are not-later-than dates; however, in order to achieve early Execution Year awards, acquisition management documents must be provided earlier in the cycle.

Figure 2

12. The acquisition management process leads programs through a series of four major decision points and four phases designed to reduce risk, ensure affordability, and provide adequate information for decision making. See Figure 3.

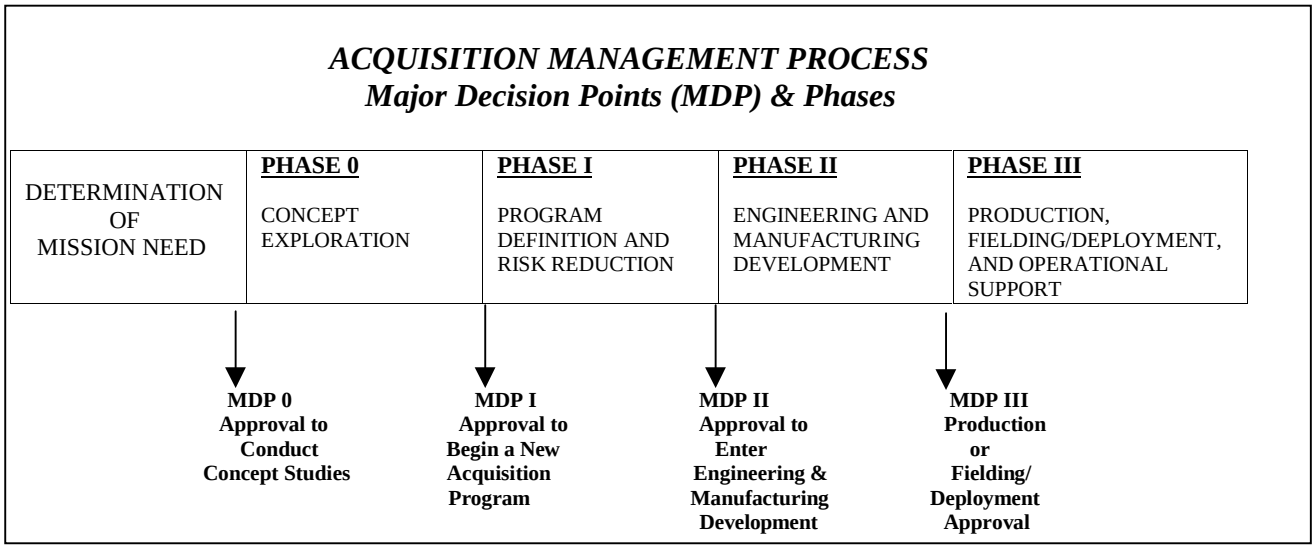


Figure 3

13. MDAs are expected to tailor the management structure to fit specific program circumstances based on objective assessments of a program's acquisition category, risks, the adequacy of proposed risk management plans, and the urgency of the user's need. Tailoring requests shall be reviewed before submission to the MDA to assure that statutory requirements are not inadvertently tailored out. Annex M provides guidance for preparing and submitting tailoring requests. While tailoring of the process is encouraged, management by process and a minimum set of documents is required.

a. A Mission Need Statement (MNS) and the Operational Requirements Document (ORD)/Acquisition Program Baseline (APB) are required for every program. In addition, the Test and Evaluation Master Plan (TEMP) is required with provision for the Director, Operational Test, and Evaluation (DOT&E) and Director, Test, Systems Engineering and Evaluation (DTSE&E) review to ensure format, system supportability and performance effectiveness and suitability. The DOT&E shall approve, in writing, the adequacy of OT&E plans (including project funding) for all Major programs and other designated programs prior to initiation of operational testing. The Command, Control, Communications, Computers, and Intelligence (C4I) Support Plan (C4ISP) is required if the program will interface with a defense C4I system. The Acquisition Logistics Support Plan (ALSP) is required to define a support program to satisfy system support requirements, if applicable. Quarterly MAIS reports are required for Major programs. Program managers are not required to submit mandatory information as stand-alone documents. At the program manager's discretion, required information may be combined into a single document, to the maximum extent practicable. If stand-alone documents are submitted program managers shall not include redundant information in each document.

b. Coordination and validation of acquisition documents shall be accomplished in accordance with the appropriate annexes before submission to the MDA for approval

at each major decision point. All acquisition documents shall be updated, with proper coordination, validation, and approval as threats change and systems progress through the acquisition process.

14. In general, the acquisition management process at NSA/CSS will proceed as follows:

a. (U) Mission Area Analysis (MAA). The MAA is the process used to define, describe, and justify a mission need to satisfy a capability deficiency or exploit a technological opportunity to provide new capabilities, reduce ownership costs, or improve the effectiveness of current equipment and systems. The process is continuous, and it shall link the latest national security policy, national military strategy, defense planning guidance, Cryptologic Planning Guidance, Program Procedural Instructions and CFM Program Guidance, NSA/CSS's National Cryptologic Strategy for the 21st Century (NCS-21), the NSA/CSS Strategic Plan, the NSA/CSS SIGINT Business Plan, the ISSO Business Plan, the NSA IT Strategic Plan; and projected threats The MAA should identify possible materiel and non-materiel solutions to address capability deficiencies or technological opportunities. Nonmateriel solutions include changes in operational doctrine, concepts, tactics, training, or organization. If the need can be fulfilled by a nonmateriel solution, the sponsor should refer it to the appropriate NSA/CSS Component or DoD Component (thru DA/P&P) for external solutions, for the SAE's consideration before external transmission) for action. See Figure 4.

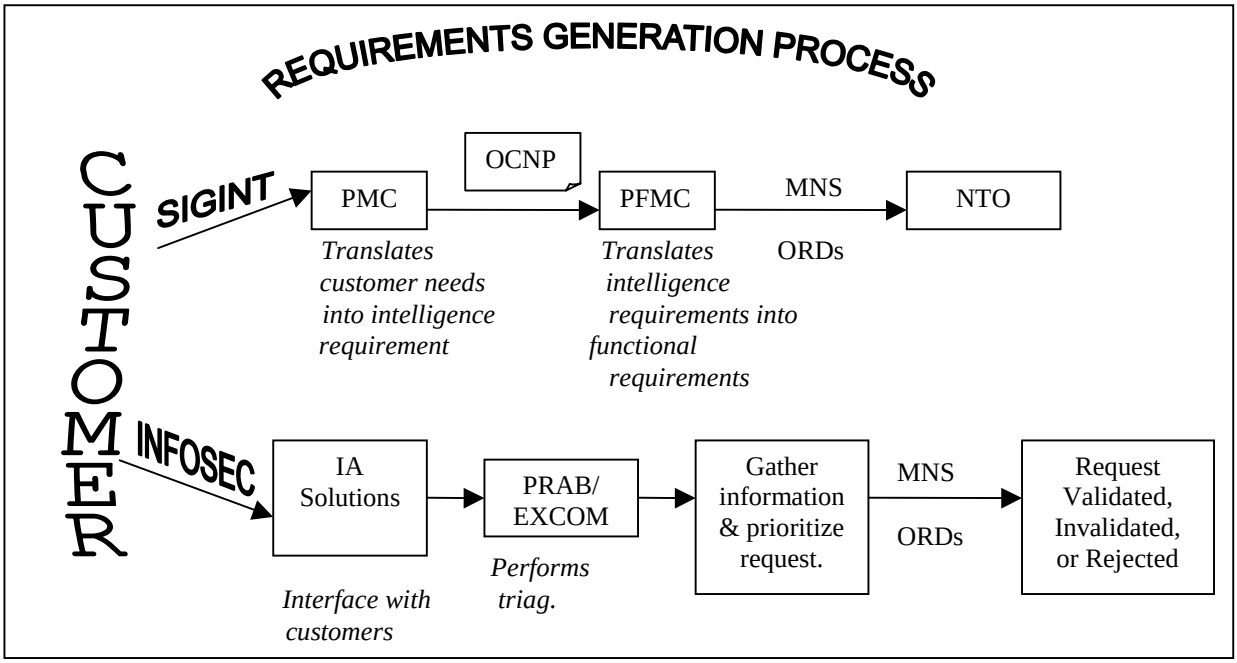


Figure 4

b. Submission of Requirement for Funding Consideration. If a nonmateriel solution is not feasible, the sponsor should proceed to the next step by documenting his considerations in a MNS and in the associated Draft Budget Worksheet prepared in accordance with Program Procedural Instructions and Program Guidance published annually by the CFM. The MNS and Draft Budget Worksheet are submitted to the Key Component for consideration in the program/budget build and are the sponsor's vehicle for entering the requirements generation and budgeting processes to make the investment proposal to fund the materiel solution. An existing MNS prepared for a higher-level

Expenditure Center may be used by acquisition programs as documentation of a validated mission need. MNSs should be prepared, coordinated, validated, and approved in accordance with Annex C.

c. Entry into the Acquisition Management Process. The initiative enters the acquisition system only after the mission need has been validated and approved in accordance with Annex C and funding is budgeted via the requirements generation and programming/budgeting processes, respectively.

d. Major Decision Point 0 - Approval to Conduct Concept Studies. After the sponsor validates the mission need, the MNS is forwarded to the appropriate MDA for consideration. The MDA shall convene a Major Decision Point 0 Review to:

(1) review the MNS;

(2) identify possible materiel alternatives;

(3) authorize concept studies if they are deemed necessary;

(4) validate process integrity in accordance with DoD Directive 8000.1, the Joint Technical Architecture, and the Unified Cryptologic Architecture (UCA);

(5) identify critical program information;

(6) begin preliminary planning for accomplishing a C4ISP as an attachment to the MNS and/or ORD/APB, if applicable;

(7) begin preliminary planning to identify acquisition logistics support requirements (ALSR) in accordance with NSA/CSS Circular 80-7;

(8) exit criteria establish specific minimum requirements to be demonstrated before a program can progress to the next phase. The PM shall document the MDA's decisions, including approved exit criteria, in the Acquisition Decision Memorandum (ADM) immediately following Major Decision PointI. Information copies of the ADM shall be distributed to the MDA, the sponsor, the cognizant Key Component, SCE, or Service acquisition focal point, the NSA CIO, NTO (NSA/CSS Transformation Office), CFM/Resources Management Group (RMG), and DA/P&P (for programs costing $5M or more) at a minimum. Other organizations may be added to the distribution list at the PM's discretion. The ADM documenting Major Decision Point 0 through Major Decision Point III decisions is required for PR approval

(9) formulate an approach to set and refine cost objectives. By Major Decision Point I each program manager shall have established life-cycle cost objectives for the program through consideration of projected out-year resources, recent unit costs, parametric estimates, mission effectiveness analysis and trades, and technology trends. A complete set of life cycle cost objectives shall include RDT&E, design, development, integration, test, operations and support, and transition, retirement, or disposal costs. At each subsequent major review, cost objectives and progress towards achieving them shall be reassessed;

e. Phase 0 - Concept Exploration. Phase 0 typically consists of competitive, parallel short-term concept studies. The focus of these efforts is to define and evaluate the feasibility of alternative concepts and to provide a basis for assessing the relative merits

(i.e., advantages and disadvantages, degree of risk) of these concepts at the next major decision point. Analyses of alternatives (AoAs) shall be prepared by the Principal Staff Assistant (PSA) for all Major programs or programs that have direct interface with warfighting systems to facilitate comparisons of alternative concepts. The most promising concepts shall be defined in terms of initial, broad objectives for cost, schedule, performance, software requirements, opportunities for tradeoffs, overall acquisition strategy, and test and evaluation strategy. Limited AoA will be performed and the acquisition decision memorandum template will be completed for the ARB review. For Major programs that are National Security Systems (NSS), the AoA shall address whether (a) DoD should be performing the function, (b) the private sector or another agency can support the function, and (c) the function to be supported has been engineered.

f. Major Decision Point I - Approval to Begin a New Acquisition Program. The purpose of Major Decision Point I is to determine if the results of Phase 0 warrants establishing a new acquisition program and to approve entry into Phase I, Program Definition and Risk Reduction. For Major programs, the PM shall incorporate the AoAs into the cost/benefit element structure and process under Life-Cycle Cost Estimates in Annex E. At Major Decision Point I, the MDA shall approve:

(1) The initial Operational Requirements Document (ORD) and the Acquisition Program Baseline (APB): The ORD contains operational performance parameters for the proposed concept or system. The APB documents the program's key cost, schedule, and performance thresholds and objectives (also known as KPPs); the Life Cycle Cost Estimate (LCCE) to include cost as an independent variable (CAIV) objectives (limited LCCE will be performed via the ARB as well as the acquisition decision memorandum template), the acquisition strategy to be pursued, the test and evaluation plan; the ALSR summary:, and the risk management plan. Annex E combines the ORD and the APB into one document in order to reduce administrative processing time. A coordinated, validated, and approved ORD/APB is required beginning at Major Decision Point I when approval is given to proceed with the acquisition program. **The combined document is jointly written by the user or requirement sponsor (the ORD) and the developing/acquiring MDA (the APB).** The ORD is validated and approved by the appropriate requirements authority, and the APB is approved by the MDA. The MDA's approval of the ORD/APB confirms that the ORD validation and approval process has been completed. For Major programs, the PM shall incorporate AoAs into the cost/benefit element structure and process under the LCCE in Annex E.

(2) The C4ISP: The C4ISP is required for any system or program that will interface with an external (non-NSA-unique) C4I system. The C4ISP is forwarded to external parties as an attachment to the MNS and/or ORD/APB. See paragraph 17.a. below and Annex G.

(3) The Test and Evaluation Master Plan (TEMP) prepared in accordance with NSA/CSS Circular 80-17, if applicable: The TEMP may be shown as an annex to the ORD/APB in lieu of the APB's test and evaluation plan section.

(4) The Acquisition Logistics Support Plan (ALSP) prepared in accordance with NSA/CSS Circular 80-7: The NTO shall be listed as a coordination point for all ALSPs at every major decision point. The ALSP may be shown as an annex to the ORD/APB.

(5) Phase I exit criteria proposed by the Program Manager (PM): The PM

shall document the MDAs decisions, including approved exit criteria, in the Acquisition Decision Memorandum (ADM) immediately following Major Decision Point I and distribute the document to the organizations listed in paragraph 14.d. (8).

g. Phase I - Program Definition and Risk Reduction. During this phase the program shall become defined as one or more concepts, design approaches, and/or parallel technologies are pursued as warranted. Assessments of the advantages and disadvantages of alternative concepts shall be refined. Prototyping, demonstrations, and early operational assessments shall be considered and included as necessary to reduce risk so that technology, manufacturing, and support risks are well in hand before the next decision point. Cost drivers, life cycle cost estimates, cost performance trades, interoperability, and acquisition strategy alternatives shall be considered to include evolutionary and incremental software development. Unless waived by the MDA, mission-critical systems, regardless of acquisition category, shall be survivable to the threat levels anticipated in their operating environment. System (to include the crew) survivability from all threats found in the various levels of conflict shall be considered and fully assessed as early as possible in the program, usually during Phase I.

h. Major Decision Point II - Approval to Enter Engineering and Manufacturing Development. The purpose of Major Decision Point II is to determine if the results of Phase I warrant continuation of the program and to approve entry into Engineering and Manufacturing Development (or hardware and software engineering and development for a hardware and software intensive system). The Low Rate Initial Production (LRIP) strategy and decision authority shall be considered at this major decision point, if applicable. PM is required to report Cost Performance IPT findings to OIPT prior to each major decision if a CPIPT is established for Major programs. C4I systems require DISA certification of interoperability before proceeding beyond LRIP and attaining Major Decision Point III approval. At this major decision point, the MDA shall approve the following:

(1) The updated ORD/APB, including CAIV based objectives. For Major programs, the PM shall incorporate the AoAs into the cost/benefit element structure and process under Life-Cycle Cost Estimates in the ORD/APB.

(2) The updated C4ISP, if applicable.

(3) The updated TEMP, if applicable.

(4) The updated ALSP, if applicable.

(5) Approval to enter LRIP, LRIP quantities, and LRIP exit criteria, if applicable (e.g., to support pre-production of INFOSEC devices). A favorable LRIP decision authorizes the PM to commence LRIP only. The PM is only authorized to commence full-rate production with further approval of the MDA. The objective of LRIP activity is to produce the minimum quantity necessary to provide production-configured or -representative articles for operational tests; establish an initial production base for the system; and permit an orderly increase in the production rate for the system, sufficient to lead to full-rate production upon successful completion of operational tests. LRIP quantities for all acquisition categories shall be minimized. The MDA shall determine the LRIP quantity as part of EMD approval. The LRIP quantity (with rationale for quantities exceeding 10% of the total production quantity documented in the acquisition strategy) shall be included in the ADM after its determination. The LRIP quantity shall not be less than one unit, and any increase shall be approved by the MDA. When approved LRIP

quantities are expected to be exceeded because the program has not yet demonstrated readiness to proceed to full-rate production, the MDA shall assess the cost and benefits of a break in production versus annual buys.

(6) Phase II exit criteria proposed by the PM. The PM shall document the MDA's decisions, including approved exit criteria, in the ADM immediately following Major Decision Point II and distribute the document to the organizations listed in paragraph 14.d. (8).

i. Phase II - Engineering and Manufacturing Development (EMD). The primary objectives of this phase are to: translate the most promising design approach into a stable, interoperable, producible, supportable, and cost-effective design; validate the manufacturing or production process; and demonstrate system capabilities through testing. LRIP occurs while the EMD phase is still continuing as test results and design fixes or upgrades are incorporated.

j. Major Decision Point III - Production or Fielding/Deployment Approval. The purpose of Major Decision Point III is to authorize entrance into production or deployment. At this major decision point the MDA shall approve the following:

(1) The updated ORD/APB, including CAIV-based objectives. For Major programs, the PM shall incorporate the AoAs into the cost/benefit element structure and process under Life-Cycle Cost Estimates in the ORD/APB.

(2) The updated C4ISP, if applicable.

(3) The updated TEMP, if applicable.

(4) The updated ALSP, if applicable.

(5) Phase III exit criteria proposed by the PM. The PM shall document the MDA's decisions, including approved exit criteria, in the ADM immediately following Major Decision Point III and distribute the document to the organizations listed in paragraph 14.d. (8) at a minimum. The Government Performance and Results Act (GPRA) post deployment evaluation requirement is also part of this exit criteria.

k. Phase III - Production. Fielding/Deployment, and Operational Support. The objectives of this phase are to achieve an operational capability that satisfies mission needs. Deficiencies encountered in Developmental Test and Evaluation (DT&E) and Operational Acceptance Test and Evaluation (OAT&E) shall be resolved and fixes verified in Follow-on Operational Test and Evaluation (FOT&E). During fielding/deployment and throughout operational support, the potential for modifications to the fielded/deployed system continues.

(1) Operational Support: The objectives of this activity are the execution of a support program that meets the threshold values of all support performance requirements and sustainment of them in the most life-cycle cost-effective manner. A follow-on operational testing program that assesses performance and quality, compatibility, and interoperability and identifies deficiencies shall be conducted, as appropriate. This activity shall also include the execution of operational support plans, to include the transition from contractor to organic support, if appropriate.

(2) Decommissioning and Disposal: At the end of its useful life

system/equipment must be demilitarized/decommissioned and disposed of in accordance with NSA/CSS Circular 60-5 and SCE regulations as applicable. During decommissioning and disposal, the PM or decommissioning authority shall ensure material determined to require decommissioning is controlled and shall ensure disposal is carried out in a way that minimizes NSA's liability due to environmental, safety, security, and health issues.

15. Core Management Issues. Certain core management issues must be formally addressed at the appropriate major decision point for every acquisition program. MDAs shall rigorously address these core issues before making program decisions:

- Why is the program needed?
- Has the need been validated?
- What specific capabilities are necessary?
- When do the specific capabilities need to be introduced to the field or operations?
- How much will the program cost?
- Is the program affordable and fully funded?
- Have alternative solutions been reviewed and why was this solution selected?
- Is the solution flexible enough to allow for new technology upgrades?
- What is the acquisition strategy to develop and/or produce the needed capability?
- Has the program's risk been assessed?
- Has a program baseline been developed?
- Is the system or item producible?
- Can it be supported?
- Has the stability of the design and the operational capability of the system been verified?
- Has the system been determined to be operationally effective and suitable?
- Have operational considerations such as the following been taken into account: mission need/intelligence requirement, intelligence value, priority, mission threads, and risk?
- Have planning considerations such as the following been taken into account: schedules and major decision points, NCS-21/NSA Business Plan alignment, political issues, legal and policy considerations, and risk?
- Have economic considerations such as the following been taken into account: programmed funding, buy vs. make, cost, and ROI?
- Have technical considerations such as the following been taken into account: architectural compliance, technical feasibility, information security, technical lifespan, and risk?

16. Consistency Across Acquisition Documents. The measures of effectiveness (MOEs) measures of performance (MOPs), and criteria in the ORD/APB and the TEMP shall be consistent.

17. SPECIAL PROVISIONS

a. Evaluation of C4I, Surveillance, and Reconnaissance (C4ISR) Support. The C4ISP shall be prepared as an attachment to MNSs and/or ORD/APBs for NSA/CSS systems/programs that will interface with non-NSA-unique C4I systems. See Annex G. C4ISR requirements shall be reviewed and updated, as necessary, for the MDAs approval at every major decision point and whenever the concept of operations or intelligence requirements change. MNSs and/or ORD/APBs and the attached C4ISP shall be forwarded to DA/P&P for transmission to ASD/C3I (Intelligence & Security). ASD/C3I is NSA/CSS's point of entry for Joint Chiefs of Staff (JCS) evaluation of compatibility,

interoperability, integration, and intelligence support for targeting requirements for all weapons systems/programs.

b. Information Technology (IT) Initiatives. The NSA Chief Information Officer (CIO) shall be an active participant in all acquisition activities in accordance with the Clinger-Cohen Act (reference c.).

c. Program Executive Officer (PEO) Assignment. While the NSA acquisition management chain of command does not traditionally include the PEO position, NSA's Senior Acquisition Executive and DoD or federal regulations may call for assignment of a PEO for dedicated executive management of a program or for a specific purpose. If PEO assignment is made to a program, that fact will be documented in an ad hoc program ADM or a major decision review ADM, whichever is more expedient. If a PEO is identified for a particular purpose, the focal point for that process is responsible for assuring such notice is made to the general acquisition workforce.

d. Program Management Plan (PMP). The PMP is used to identify overarching requirements for a system or several programs that form a system-of-systems. The PMP serves as a guide for future ORD/APB development and a vehicle for overall program oversight. The PMP describes the system's overall architecture, management structure, management approach, and support arrangements. Programs covered under an overarching PMP will require preparation of individual ORD/APBs. See Annex D for information on the PMP and Annex E for information on the ORD/APB.

e. Defense Cryptologic Program (DCP) Initiatives.

(1) All DCP acquisition management documents (MNSs, PMPs, ORDs, and APBs, etc.) will be submitted to the National Tactical Integration Office (NTIO) by the sponsoring organization under Key Component signature for NSA initiatives or appropriate Service level signature for Service initiatives. Service acquisition management documents for DCP initiatives will be coordinated within NSA by DA/P&P. DA/P&P is also the focal point for external coordination of NSA-sponsored DCP acquisition management documents.

(2) NSA comments on Service DCP acquisition management documents will be forwarded to NTIO for consolidation and subsequent DA/P&P transmission to the appropriate Service for consideration. Generally, comments will address interoperability between existing and future Service tactical SIGINT systems, connectivity between tactical and national systems, applicable technology that may satisfy the requirement, and possible duplication of ongoing effort. Similarly, Service comments on NSA-originated DCP initiatives will be forwarded by DA/P&P to NTIO for compilation and sent to the appropriate NSA sponsor for consideration.

(3) NSA sponsored DCP initiatives will follow procedures delineated in this Circular. Although Service sponsored DCP initiatives are subject to procedures delineated in this Circular, Service acquisition procedures for coordination external to NSA, and validation and approval authorities (in accordance with reference b.) will prevail. An approved APB is required for execution of DCP funds.

f. Rapid Technology Management Plan (RTMP). The RTMP is prepared by the PM, with extensive user participation, in cases where normal, previously defined NSA 5000R documentation would not apply. Some examples: large-scale equipment or support acquisitions which do not precisely fit the "systems" definition, Advanced

Technology Center (ATC) developments, Advanced Concept Technology Demonstrations, Advanced Technology Demonstrations, reinvention labs, and QRC projects. The RTMP describes the program's architecture, management structure, management approach, and support arrangements. The RTMP is tailored to the individual needs of the program. It is prepared by the acquiring/developing PM, validated by the sponsor, and approved by the MDA. See Annex F.

g. Sensitive Projects. In certain cases of extreme sensitivity, security considerations may require more restricted coordination and review of NSA 5000R documentation than those normally prescribed. In such cases, special handling procedures will apply. See Annex K.

h. Quick Reaction Capability (QRC) Systems. For system requirements identified out of the normal program-build cycle with critically short delivery schedules, emergency procedures exist to facilitate delivery on schedule while maintaining the ability to obtain organizational and resource commitments and approvals. See Annex L.

i. External Requirements Assigned to NSA/CSS. CFM/FOG shall be the receiving point for requirements assigned to NSA by the JCS/Joint Requirements Oversight Council (JROC) or the Military Services. CFM/FOG will provide these requirements to the appropriate Key Component or SCE who will be responsible for acquiring the needed capability in accordance with this Circular.

j. Special Program Office (SPO). The DA/P&P may propose to the Director that a SPO be created for large complex programs where existing management relationships are not considered adequate, and which require a uniquely tailored management structure. The SPO is usually a single Agency-level authority for a program whose resources or controls cross Key Component lines. In some cases, this could include reassigning or detailing personnel from other Key Components into the SPO or direct tasking authority, which extends beyond the Key Component to which the SPO is assigned. The DA/P&P recommendation to the Director will propose a program level MDA and the preparation of a PMP within a specified period of time. The program MDA will submit the PMP for DA/P&P review and approval. The SPO may task other acquisition organizations with MDA responsibility for subsystems/subprograms within the overall program. However, program-level financial, technical, support, and schedule management and reporting shall remain the responsibility of the SPO. All acquisition and support plans for delegated subsystems/subprograms will require SPO agreement. The PMP will delineate these responsibilities.

k. Issue Resolution. If, during any phase of the acquisition process, issues arise which cannot be resolved by the action office to the satisfaction of all participating elements, DA/P&P may mediate to resolve the issues. DA/P&P may elect to elevate these issues to the ARB for resolution.

SECTION VIII - REPORTING

18. All acquisition correspondence must be reviewed by the SAE before external release. In addition, the following applies:

a. DA/P&P is responsible for self-reporting NSA/CSS's major programs to USD (AT&L) or ASD (C3I). Further, DA/P&P is responsible for notifying USD (AT&L) or ASD (C3I) when cost growth or a change in acquisition strategy results in

reclassifying a formerly lower acquisition category program as a Major program.

b. Reporting of program deviations on Major and Special Interest Programs to the Congress will be overseen by P&P.

19. PMs shall maintain a current record of the program's status and shall report the current estimate of each baseline parameter periodically, as requested by the MDA. The PM is required to report the current estimate of each APB parameter periodically and the current estimates for APB program parameters in MAIS Quarterly Reports (see Annex H).

20. Deviations to previously approved cost, schedule, or performance parameters will be reported immediately by the PM to the MDA. The MDA, in turn, will advise the sponsor, P&P (for programs costing $5M or more), and other appropriate elements of the nature of the problem and proposed corrective action. If corrective action is not accomplished within 90 calendar days, a program review will be required under the PDRP. The PDRP will be automatically invoked when key cost, schedule or performance parameters change or are projected to change. Annex J applies.

SECTION IX - RESPONSIBILITIES

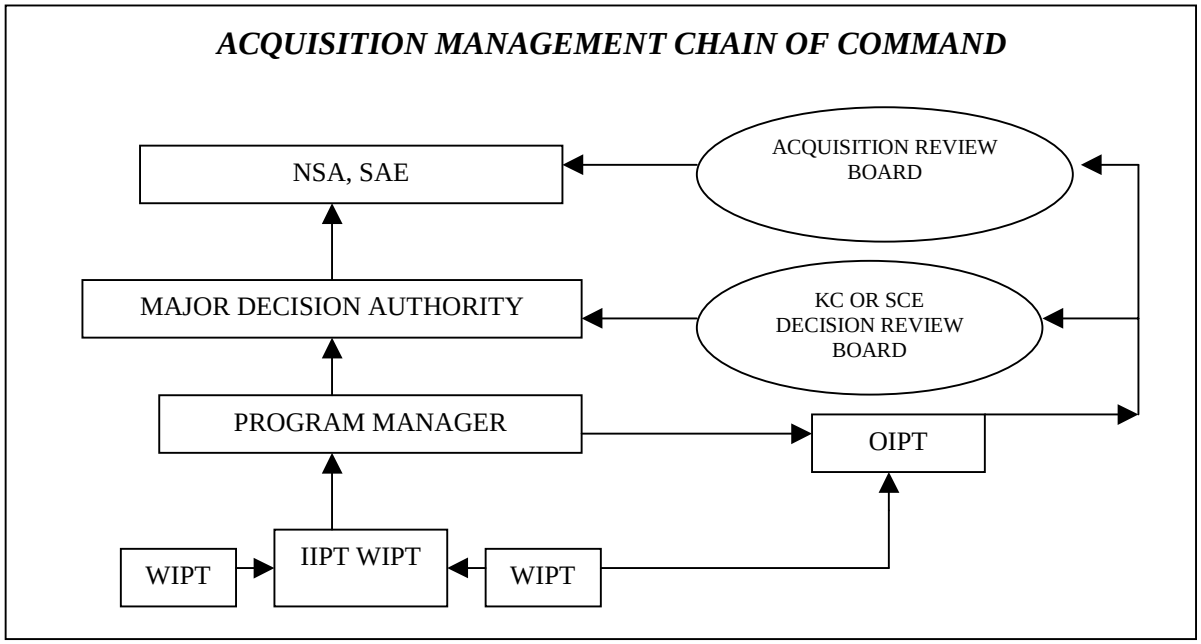


Figure 5

21. FUNCTIONAL

a. MDA

(1) Ensures close interaction among the Requirements Generation System, Acquisition Management System, and the Planning, Programming, and Budgeting System to facilitate communications and streamlined decision making for acquisition programs under their purview.

(2) Conducts major decision reviews, approves entry of programs into succeeding phases, and tailors the acquisition process, as appropriate, to best match the size, risk, and complexity of acquisition programs.

(3) Assures overall program performance is accomplished throughout a program's life by requiring that core management issues, exit criteria, and cost, schedule, and performance thresholds have been satisfied at each major decision point before a program may progress to the next acquisition phase.

(4) Advises the sponsor, DA/P&P, and other appropriate elements of the nature of deviations to previously approved cost, schedule, or performance parameters, proposed corrective actions, and final disposition of program deviations.

(5) Assists the sponsor in the development of Draft Budget Worksheets and MNSs by providing or validating resource estimates.

(6) Reviews the ORD/APB to ensure that sufficient information has been provided for concept formulation.

(7) Ensures all affected and responsible parties, particularly customers/users, are kept involved and informed throughout the entire acquisition process.

(8) Designates the PM and ALM within 30 calendar days of receipt of the validated and approved MNS.

(9) Ensures development of the C4ISP, TEMP, and ALSP and provides overall management of the C4I, test, and logistics programs.

(10) Reviews all military specifications and standards proposed by the PM for use in solicitations and determines if a waiver is required (NSA/CSS Center for Standards Memorandum, Waiver Policy and Procedures for the Use of Military Standards and Specifications in NSA/CSS Acquisitions).

b. User or Requirement Sponsor

(1) Performs mission area analyses to define, describe, and justify mission needs to satisfy capability deficiencies or exploit technological opportunities and prepares MNSs to document mission needs and associated Draft Budget Worksheets in accordance with Program Procedural Instructions and CFM Program Guidance.

(2) Identifies and ensures performance objectives and critical system requirements are documented in all acquisition documentation and participates in major decision reviews to ensure that the mission need will be satisfied.

(3) Ensures all affected and responsible parties are involved in the coordination of the MNS.

(4) Works closely with the system developer during development of the MNS, the associated Draft Budget Worksheet, and the ORD/APB.

(5) Plans and conducts operational acceptance tests.

(6) With the ADS ensures necessary space and facilities resources are available for system installation and ESH requirements have been addressed, as appropriate.

c. PM

(1) Manages assigned programs in accordance with this Circular.

(2) Proposes tailored implementation of the acquisition process for the MDA's approval at major decision points.

(3) Proposes an IPT structure for the MDA's approval at major decision points, ensuring that the program is supported by the acquisition category-appropriate OIPT and at least one working-level IPT.

(4) Proposes exit criteria for the MDA's consideration at major decision reviews, documents the MDA's decisions after major decision reviews (to include approved exit criteria and core management issues) in the ADM, and makes distribution of the ADM as specified in this Circular.

(5) Seeks active participation of and provides program information to all members of the program team throughout the program's life.

(6) Seeks OGC, DA/P&P, and other Key Component, SCE, or Service reviews as appropriate and as delineated in this Circular.

(7) Assures acquisition documentation is prepared, coordinated, and validated before presentation to the MDA for approval at major decision reviews.

(8) Reports program deviations to the MDA upon occurrence, and proposes plans for bringing the program back within baseline parameters.

(9) Provides periodic program status reports to the MDA when the MDA requests.

(10) Identifies critical program information, technologies, or systems early in the acquisition life-cycle and takes appropriate measures to protect them from loss, theft, sabotage, and unauthorized or inadvertent disclosure.

(11) Institutes a tailored configuration management program to control the acquisition program's products, processes, and related documentation in accordance with NSA/CSS Regulation 80-14.

(12) Has primary responsibility for ORD/APB preparation, coordination, validation, and approval. Manages execution until system responsibility is transitioned to the sponsor, user, and support organizations. The decision authority for technical reviews throughout the acquisition cycle is the responsibility of the PM unless retained by the MDA.

(13) Estimates system space, facilities, and ESH requirements in the ORD/APB.

(14) Provides initial systems support prior to transfer to the operational

support activity and transitions life-cycle support (LCS) responsibilities to the operational system LCS authority.

(15) Raises issues through the MDA to the SAE if analysis indicates these issues are beyond the scope of the program. This includes LCS for equipment deployed to NSA/CSS field sites (e.g., desktop computers, servers, etc.) acquired by other than major system acquisitions under recurring requirement ordering vehicles, e.g., GSA Blanket Purchase Agreements (BPAs), Basic Ordering Agreements (BOAs), Indefinite Delivery Indefinite Quantity (IDIQ) contracts, etc.

(16) Analyzes the market throughout the program life cycle for products and technology areas critical to the program and challenges contractors to support planned materiel solutions chosen.

d. ALM

(1) Functions as the NSA/CSS focal point for all acquisition logistics and sustainment actions.

(2) Develops acquisition logistics cost estimates.

(3) Develops the ALSP.

(4) Chairs the ALSR Conference.

(5) Establishes and chairs the Acquisition Logistics Integrated Product Team (ALIPT).

(6) Manages assigned programs in accordance with NSA/CSS Circular 80-7.

(7) Assures excess equipment disposition is addressed, if applicable.

22. ORGANIZATIONAL

a. The Director, NSA

(1) Is the MNS validation and approval authority for Major programs and the ORD/APB validation authority for Major programs.

(2) Delegates ORD/APB approval authority to the SAE for Major programs.

(3) As technical oversight authority, provides comprehensive management of all Tactical SIGINT programs to ensure interoperability, connectivity, and current technology.

(4) Serves as the DCP Program Manager delegates management authority for the DCP to the Assistant Deputy Director of Operations for Military Support) ADDO (MS).

(5) Serves as an approval authority for all Service and United States

Special Operations Command (USSOCOM) Tactical SIGINT programs within the PPBS process.

b. The NSA/CSS Senior Acquisition Executive

(1) Is responsible for all acquisition matters at NSA/CSS.

(2) Is the MDA for all NSA acquisition programs.

(3) May delegate MDA for programs to the NSA CIO, Key Component, SCE, or Service Chiefs.

(4) Delegates oversight of selected major programs to the Chief, Programs Executive Group.

(5) Self-reports NSA's potential Major programs to ASD (C3I).

(6) Is the ORD/APB approval authority for Major programs.

(7) Establishes the ARB for Major and Special Interest programs and serves as its chair.

(8) Establishes a Cost-Performance IPT (CPIPT) for each Major program (those not delegated to the NSA CIO).

(9) Appoints program or special purpose PEOs as required.

(10) Executes duties and responsibilities outlined in NSA/CSS Regulation 41-03, Acquisition Career Development Program (ACDP), as Chair of the Cryptologic Acquisition Program Board (CAPB).

(11) Assigns DAWIA certified PMs to Major programs.

(12) Monitors compliance with the policies and practices contained in this Circular. This includes determining the degree of application of the provisions of this Circular and reviewing proposed expenditures to ensure that required planning actions have been taken.

(13) Monitors QRC programs.

(14) With the CFM, ensures that resource decisions are fact-based by adopting disciplines such as ROI analyses; build-versus-buy analyses; in-house versus out-of-house job competitions; "best value" versus "best price" analyses; full life-cycle costing; and accountability for all resources consumed, including personnel.

(15) With the CFM and on behalf of the Director, NSA, consults with the USD (AT&L) or the ASD (C3I), as appropriate when the POM or the BES contain a significant change in funding for, or reflect a significant funding change in, any program subject to review by the Defense Acquisition Board or DoD CIO. This consultation shall be accomplished prior to submission of the POM or BES to the Secretary of Defense.

(16) Ensures consideration of system test, evaluation and transition (STET) planning and execution activities through all phases of the acquisition process

(NSA/CSS Circular 80-17).

(17) Assigns responsibilities and prescribes procedures for implementing Earned Value Management System criteria (NSA/CSS Regulation 111-27).

(18) Assigns responsibilities and prescribes procedures for promoting competitive acquisitions (NSA/CSS Regulation 61-3).

(19) Performs contracting functions in accordance with statutory and regulatory requirements, to include internal Agency reviews, approvals, and policies through the Head of the Contracting Activity (HCA) and the Chief of the Office of Contracting.

(20) Provides an annual report ensuring ACDP compliance and executes responsibilities as identified in NSA/CSS Regulation 41-03, Section 5, and paragraph 12.

(21) Ensures that the requirements and viewpoints of the appropriate elements of NSA/CSS, the Military, and external organizations are given full consideration during staff and SAE deliberations and elevated to the ELT as necessary.

c. The NSA Transformation Office (NTO)

(1) Is responsible to the Director, NSA for oversight of:

(a) processes to develop and prioritize SIGINT system requirements, in response to validated customer information needs;

(b) analysis, assessment, and evaluation of all NSA programs, to include the scope of program resources (people and dollars); and

(c) systems engineering services to plan, transform, and implement the Unified Cryptologic System (UCS) within the context and construct of an approved Unified Cryptologic Architecture.

(2) Assists the Director in:

(a) aligning the UCS architecture;

(b) strategic business planning;

(c) examining the implications of potential decisions and identifying, where possible, ways to mitigate any negative implications; and

(d) addressing issues involving governance, people and processes in support of transformation efforts.

d. The NSA Chief Information Officer (CIO)

(1) Is responsible for NSA/CSS compliance with the Clinger-Cohen Act (reference c.) and DoD, DCI, and NSA/CSS Information Systems Security (ISS) policies and as such, provides MDAs with compliance information, through the IPT process, at decision points and throughout the program's life.

(2) Is responsible for ensuring ISS and accrediting ISs per NSA/CSS Directive 130-1.

(3) Assures that NSA/CSS and affiliated contractor telecommunications and automated ISs continuously meet the security required by NSA/CSS Directive 130-1, and accredits the operation of these systems for the processing, use, storage and production of classified or sensitive information.

(4) Ensures that requirements documentation reflect the relationship to the NSA IT Strategic Plan.

(5) Is the MDA for those programs delegated to the CIO by the SAE and, as such, is the approval authority for delegated ORD/APBs.

(6) Establishes a CPIPT for each delegated program.

(7) Participates in the investment review process for ISs.

(8) Monitors and evaluates the performance of those systems on the basis of applicable performance measures.

(9) Advises the Director and SAE whether to continue, modify, suspend or terminate those systems.

(10) Provides an annual report to the SAE ensuring ACDP compliance and executes responsibilities as identified in NSA/CSS Regulation 41-03, Section 5, paragraph 12.

e. The Deputy Director for Information Systems Security (DDI)

(1) Assumes Sponsor responsibilities for INFOSEC requirements.

(2) Serves as MDA when delegated by the NSA SAE.

(3) Validates and approves INFOSEC MNSs for other and Special Interest programs and pre-validates MNSs for Major programs. Validates and approves the ORD in INFOSEC ORD/APBs for Special Interest programs and pre-validates the ORD in INFOSEC ORD/APBs for Major programs. Approves the ORD/APB when MDA is delegated.

(4) Ensures the preparation of ALSPs, TEMPs, and C4ISPs for INFOSEC systems, as appropriate. On behalf of the DDI, the EXCOM/PRAB will serve as the validation authority for (INFOSEC) MNS and ORD/APB documents for delegated programs.

(5) Acts as the ALM and acquisition logistics authority for all COMSEC and COMPUSEC systems and equipment that are funded with ISSP appropriations.

(6) Provides technical computer security and TEMPEST guidance to support the acquisition and evaluation of cryptologic systems, if applicable.

(7) Certifies computer systems according to NSA/CSS Directive 130-1.

(8) As requested, advises, through the Interagency OPSEC Support Staff (IOSS), in determining the need for OPSEC in acquisition program protection and provides OPSEC advice and expertise through the IOSS to security, intelligence, and counterintelligence support for acquisition program protection.

(9) Provides an annual report to the SAE ensuring ACDP compliance and executes responsibilities as identified in NSA/CSS Regulation 41-03, Section 5, paragraph 12.

f. The Deputy Director for Operations (DDO)

(1) Assumes Sponsor responsibilities for SIGINT requirements.

(2) Serves as MDA when delegated by the NSA SAE.

(3) Validates and approves operational SIGINT MNSs for other and Special Interest programs and pre-validates MNSs for Major programs. Validates and approves the ORD in SIGINT ORD/APBs for Special Interest programs and pre-validates the ORD in SIGINT ORD/APBs for Major programs. Approves the ORD/APB when MDA is delegated.

(4) Provides an annual report to the SAE ensuring ACDP compliance and executes responsibilities as identified in NSA/CSS Regulation 41-03, Section 5, paragraph 12.

(5) On behalf of the DDO, the PFMC will:

(a) Ensure that each major functional requirement and each transformation "domain" has or is linked to a verified, validated, and prioritized MNS.

(b) Function as the focal point for all DO ORDs.

(c) Ensure that actions identified in PMP appropriately address the needs identified in the MNS.

(d) Participate in Major Decision Reviews as appropriate.

(6) On behalf of the DDO, the PMC will provide the PFMC prioritized intelligence requirements to be converted into functional requirements.

g. The Associate Deputy Director for Operations (Military Support) (ADDO (MS))

(1) Serves as the Executive Agent for the DCP and is the principal advisor to the DCP Program Manager and the DDO.

(2) Serves as the Agency’s focal point and authoritative spokesperson for all activities related to tactical SIGINT system planning, development, and programmatic oversight (working primarily through the National Tactical Integration Office (NTIO).

(3) Provides technical approval of Service tactical SIGINT (DCP)

systems.

(4) Ensures interoperability between existing and future tactical SIGINT systems.

(5) Ensures connectivity between national and tactical systems.

(6) Ensures modernization of tactical systems to keep pace with target signals technologies.

h. The Chief Financial Manager (CFM)

(1) Serves as MDA when delegated by the NSA SAE.

(2) Defines and designs NSA's internal business reporting and oversight--cycles, criteria, format, and content--so that appropriate senior leaders' attention is focused on NSA's business performance.

(3) Ensures that requirements documentation (MNSs and ORD/APBs) reflect the relationship to Defense Planning Guidance, Program Procedural Instructions and CFM Program Guidance, the NSA/CSS Strategic Plan, the NSA/CSS SIGINT Business Plan, the ISSO Business Plan and the National Cryptologic strategy for the 21st Century (NCS-21).

(4) With the SAE, ensures that resource decisions are fact-based by adopting disciplines such as ROI analyses; build-versus-buy analyses; in-house versus out-of-house job competitions; "best value" versus "best price" analyses; full life-cycle costing; and accountability for all resources consumed, including personnel.

(5) As exercised by the Resources Management Group (RMG), aligns resources with the NSA/CSS Strategic Plan, NSA/CSS SIGINT Business Plan, and the NSA/CSS INFOSEC Business Plan. Raises to the ELT strategic issues that require corporate decisions by developing appropriate resource options. Monitors evolving corporate needs to ensure that changes are accurately reflected in critical external documents, such as the IBES, BES, and CBJB. Ensures that external messages to stakeholders follow consistent themes over time and over financial programs. Packages, presents, and markets programs and over-guidance packages, using sound business and marketing principles and practices. Ensures that, within the Unified Cryptologic Architecture Functional Areas (UFAs), NSA/CSS resource personnel implement corporate decisions, and makes sure those decisions are accurately reflected in fiscal and human resource documents and databases. Guides Expenditure Center managers in their conduct of daily business by communicating corporate vision, goals and procedures, and by emphasizing the need for close alignment with mission and impact, rather than system-oriented, or technical, parameters.

(6) Identifies appropriate metrics and measures of financial success in business terms and in terms of the GPRA's requirement to manage for results. Identifies opportunities for benchmarking business processes, practices, procedures, and decision-making to ensure opportunities for continuous improvement.

(7) Provides guidance and direction to allow EC managers to plan, program and execute investments that align with corporate requirements across all cryptologic programs throughout the Defense and Intelligence communities.

i. The Assistant Director for Corporate Management (ADCM)

(1) Serves as the MDA for corporate management systems when MDA is delegated by the SAE.

(2) Is the approval authority for ORD/APBs when MDA is delegated by the SAE.

j. The Assistant Director for Support Services (ADS)

(1) Serves as the MDA for training systems when delegated by the SAE.

(2) Is the approval authority for training system ORD/APBs when MDA is delegated by the SAE.

(3) Provides guidance to user and sponsor organizations in the establishment of training needs: develops Training Management Plans (TMPs) and the training sections of the ORD/APB and ALSP for SIGINT systems; and reviews the training sections in the MNS, the C4ISP, and TEMP.

(4) Ensures that training requirements are properly identified for each acquisition program and resources are appropriately programmed and budgeted to satisfy the requirements.

(5) Assesses and advises all concerned of the impact of new systems on training and the ability of the Cryptologic Training System to satisfy user requirements.

(6) Provides guidance to user and sponsor organizations on requirements of the ACDP to comply with Public Law 101-510, the Defense Acquisition Workforce Improvement Act (DAWIA); and executes responsibilities as identified in NSA/CSS Regulation 41-03, Section 5, paragraph 11, to include the annual ACDP compliance report to the SAE.

(7) Provides guidance to user and sponsor organizations in the establishment of counterintelligence, physical and personnel security needs and manning requirements.

(8) Ensures that staffing needs and counterintelligence, physical and personnel security requirements are properly identified, programmed, and budgeted for each acquisition program throughout the acquisition management process.

(9) Provides, if required, special operational support, guidance, and procedures.

(10) Provides security support to sponsors and PMs to ensure appropriate acquisition program protection.

(11) Assists in the preparation of logistics support planning in ADS materiel management areas of responsibility; i.e., supply, magnetic media, transportation,

shipping, packaging and crating, initial spares acquisitions, and equipment and system provisioning.

(12) In concert with the Sponsor and the cognizant S6 Integrated Facilities Activity, ensures necessary space and facilities resources are available for system installation.

(13) Is the OPI for and ensures compliance with NSA/CSS environmental protection, occupational health and safety regulations developed in accordance with federal, state, interstate, and local environmental laws and regulations, Executive Orders, treaties, and agreements.

(14) Ensures acquisition logistics support requirements are properly identified in accordance with the ALSR process (Acquisition Logistics Guidebook, 13 January 2000).

k. The Deputy Director for Technology and Systems (DDT)

(1) Assumes MDA responsibilities for SIGINT developmental systems and telecommunications systems when delegated by the NSA SAE and, as such, is the approval authority for SIGINT developmental system and telecommunication system ORD/APBs for delegated programs.

(2) Assumes Sponsor and developer responsibilities for telecommunications, networks, and general-purpose ADP programs and, as such, is the approval authority for these ORD/APBs when MDA is delegated by the NSA SAE.

(3) Develops and maintains systems and equipment support management standards and policies. Ensures acquisition logistics support requirements are properly identified in accordance with the ALSR process (Acquisition Logistics Guidebook, 13 January 2000).

(4) Funds and directs the operation of the NSA Consolidated SIGINT Support Activity (NSA/CSSA) (NSA/CSS Circular 62-2).

(5) Ensures C4ISPs, TEMPs, and ALSPs are developed for SIGINT systems, as appropriate.

(6) Is focal point and assumes responsibilities for Life Cycle Cost (LCC)/LCS matters regarding SIGINT systems and equipment with DoD, SCEs, MILDEPs, CSSA, and other interfacing external activities.

(7) (U) Assumes principal support authority (LCS responsibility) for all operational SIGINT systems and direct mission equipment not transitioned to CSSA.

(8) Develops and maintains systems acquisition management standards and procedures.

(9) Monitors conformance to configuration management policy (NSA/CSS Regulation 80-14).

(10) Provides an annual report to the SAE ensuring ACDP compliance and executes responsibilities as identified in NSA/CSS Regulation 41-03, Section 5,

paragraph 12.

l. The General Counsel (GC)

(1) Provides legal guidance to the Office of Contracting and other Agency organizations in ensuring compliance with applicable laws and regulations.

(2) Provides guidance to PMs on the proposed use of contractors or representatives from organizations other than the federal government on IPTs.

(3) Assists DA/P&P and the Key Component, SCE, or Service acquisition staffs in reviewing tailoring requests to assure that statutory requirements are not inadvertently tailored out.

m. The Service Cryptologic Elements (SCEs)

(1) Are the approval authorities for SCE system ORD/APBs when MDA is delegated by the SAE.

(2) Serve as the MDA when delegated by the SAE.

(3) Submit, coordinate with Key Components, and defend SCE - originated requirements.

(4) Ensure that design concepts satisfy requirements.

(5) Ensure that systems fulfill approved operational requirements prior to acceptance by the SCE operational elements.

(6) Assist the principal support authority to ensure that adequate acquisition logistics planning is performed for all systems affecting SCE sites or resources, as appropriate.

(7) Participate in reviews (e.g., major decision reviews, preliminary and critical design reviews) for SCE systems throughout the acquisition process.

(8) Ensure and facilitate appropriate Service coordination.

(9) Ensure operational testing is conducted by the SCEs or the Military Services on SCE-sponsored systems.

(10) Partners with the NSA/CSS customer representative to ensure an appropriate OAT&E is performed to transition projects to the SCEs (NSA/CSS Circular 80-17).

n. Military Services

(1) Act as the validation and approval authorities for Service sponsored DCP MNSs, ORDs, and APBs.

(2) Submit, coordinate with Key Components, and defend Service sponsored DCP requirements.

(3) Submit acquisition management documents and status reports to NSA as specified in this Circular.

(4) Ensure and facilitate appropriate Service coordination according to reference b.

23. The provisions of this Circular apply to initiatives entered in the FY00 program/budget build and beyond. Changes to this Circular are effective upon receipt; programs already underway shall incorporate these changes in on-going program planning and include them in program reporting activities. DA/P&P shall review existing programs to determine which shall be brought under the cognizance of the corporate ARB. This may include programs within any acquisition category.

BRUCE H. WALDSCHMIDT
Chief
Plans and Policy Group

Encls:

ANNEX A

DEFINITIONS

1. *Acquisition.* Acquisition is the planning, design, development, testing, contracting, production/construction, introduction, acquisition logistics support, modification, and acceptance or disposal of systems, equipment, facilities, supplies, or services that are intended for use in or support of, Agency missions. Approved NSA definition.

2. *Acquisition Career Development Program (ACDP).* The NSA/CSS implementation of the DAWIA policies and regulations for the career development of the acquisition workforce.

3. *Acquisition Decision Memorandum (ADM)*. The MDA's decisions made at major decision points are documented in the ADM. The ADM includes agreed-upon exit criteria for the succeeding acquisition phase.

4. *Acquisition Executive (AE).* See Senior Acquisition Executive (SAE).

5. *Acquisition Logistics (AL).* The process of systematically identifying and assessing logistics alternatives, analyzing and resolving logistics deficiencies, and managing logistic support throughout the acquisition process.

6. *Acquisition Logistics Manager (ALM).* The individual who serves as the sole representative of a Program Manager (PM) for the continuous total management of all Integrated Logistics Support resources required during the acquisition process to effect and sustain the mission deployment of a system. The ALM is responsible to the PM for routinely identifying life-cycle support problems; assessing their impact on the cost, schedule, and supportability of the system being acquired; and implementing solutions.

7. *Acquisition Logistics Support Plan (ALSP).* The ALSP describes the major activities, which must be performed to implement a support program in satisfaction of the system support requirements. It is organized around each of the general areas of logistics support, including maintenance, test and support equipment, deployment, supply, facilities, documentation, configuration management, personnel, and training.

8. *Acquisition Logistics Support Requirements (ALSR).* The process (formerly the Minimum Essential Integrated Logistics Support Requirements (MEILSR)) to select the minimum level of deliverables required to support a system. This objective is realized through the proper integration of logistics support elements with each other and through the application of logistics considerations to the decisions made during the design and selection of the hardware, software, and firmware configuration as a part of the system management and acquisition process.

9. *Acquisition Manager*. Persons responsible at different levels for some activity of developing, producing, and fielding an AIS. Includes senior level managers responsible for ultimate decisions, program managers, and commodity or functional area managers.

10. *Acquisition Management*. Management of all or any of the activities within the broad spectrum of "acquisition." Also includes training of the defense acquisition workforce, and activities in support of planning, programming, and budget system (PPBS) for

defense acquisition systems/programs. For acquisition programs this term is synonymous with program management.

11. *Acquisition Program.* A directed, funded effort that is designed to provide a new, improved, or continuing weapons system or automated information system (AIS) capability in response to a validated operational need.

12. *Acquisition Program Baseline (APB).* Required for every acquisition program to document the cost, schedule, and performance thresholds and objectives for that program beginning at program initiation (Major Decision Point I). Performance shall include supportability and, as applicable, environmental requirements. Developed and updated by the Program Manager, each baseline will govern the activity in the phase succeeding the milestone for which it was developed. The Concept Baseline, Development Baseline, and Production Baseline are prepared at Major Decision Points I, II, and III, respectively.

13. *Acquisition Strategy.* A tailored business and technical management approach to achieve program objectives within the resource constraints of the acquisition. It is the framework for planning, directing, and managing an acquisition program. The acquisition strategy serves as the roadmap for program execution from program initiation through post-production support.

14. *Acquisition Systems Protection (ASP).* The safeguarding of defense systems anywhere in the acquisition process and technologies being developed that could lead to defense systems and defense research data. ASP integrates all security disciplines, counterintelligence, and other defensive methods to prevent foreign collection efforts and unauthorized disclosure.

15. *Advanced Concept Technology Demonstrations (ACTDs).* ACTDs are a means of demonstrating the use of emerging or mature technology to address critical military needs. ACTDs themselves are not acquisition programs, although they are designed to provide a residual, usable capability upon completion. If the user determines that additional units are needed beyond the residual capability and that these units can be funded, the additional buys shall constitute an acquisition program with an acquisition category generally commensurate with the dollar value and risk of the additional buy. ACTDs are subject to CAIV policy.

16. *Advanced Technology Demonstrations (ATDs).* Projects within the advanced technology development program (6.3a) which are intended to demonstrate technical feasibility and maturity and reduce technical risks and uncertainties at the relatively low costs of informal processes.

17. *Approval Phase*. The approval phase documents the approval authority's concurrence with the final validated document. Approval is a formal sanction that the validation process is complete and the identified need or operational capabilities described in the documentation are valid. Approval authority is dependent upon potential acquisition category, if designated JROC special interest, or if approval authority has been delegated. Note: In requirements generation, approval means confirmation that the validation process is complete. In acquisition, approval means the MDA's approval (1) of acquisition documents, acquisition strategy, etc., and (2) to proceed to the next phase.

18. *Architecture*. A conceptual overview which depicts how the components of a system or program (developmental efforts, equipment acquisitions, site upgrades, etc.)

interrelate, interact, and/or interoperates with other systems or programs to satisfy mission needs. This definition applies to operational, systems, or technical architectures.

19. *Automated Information System (AIS).* A combination of computer hardware and software, data, or telecommunications, that performs functions such as collecting, processing, transmitting, and displaying information. Excluded are computer resources, both hardware and software, that are physically part of, dedicated to, or essential in real time to the mission performance of weapons systems.

20. *Command. Control Communications. Computers, and Intelligence (C4I) Support Plan (C4ISP).* The C4ISP is required for all weapons systems/programs that interface with C4I systems. The plan is evaluated by ASD/C3I and the Joint Requirements Oversight Council (JROC) for compatibility, interoperability, integration, and intelligence support for targeting requirements.

21. *Computer Security.* The totality of security safeguards used to provide a defined level of protection to an automated information system and the data handled by it.

22. *Concept of Operation (CONOP).* A brief description from the user's perspective of the operation and flow of work through the proposed system, including interaction with other systems.

23. *Configuration Control Board (CCB).* A board composed of technical and administrative representatives who approve or disapprove proposed engineering changes to an approved configuration baseline. Configuration baselines are established and used to control transition from one phase of a configuration item's life cycle to another.

24. *Configuration Management (CM).* A discipline applying technical and administrative direction and surveillance to: (a) identify and document the function and physical characteristics of a configuration item; (b) audit the configuration to verify conformance to specifications, interface control documents, and other contract requirements; (c) control changes to configuration items and their related documentation; and (d) record and report information needed to manage configuration items effectively, including the status of proposed changes and implementation status of approved changes.

25. *Core Capability.* A baseline system satisfying the minimum acceptable requirements of an acquisition program.

26. *Cost As an Independent Variable (CAIV).* Methodologies used to acquire and operate affordable DoD systems by setting aggressive, achievable life cycle cost objectives and managing achievement of these objectives by trading off performance and schedule, as necessary. Cost objectives balance mission needs with projected out-year resources, taking into account anticipated process improvements in both DoD and industry to help set performance objectives. CAIV has brought attention to the government's responsibilities for setting/adjusting life cycle cost objectives and for evaluating requirements in terms of overall cost consequences.

27. *Cost Performance Integrated Product Team (CPIPT).* Required for Major programs costing 30M + in a single year, 120M + total program, or 360M + LCC. Facilitates cost-performance trades and assists in establishing program cost-range objectives and thresholds. The CPIPT recommends to the program manager performance

or engineering and design changes and has the responsibility for integrating and evaluating all cost/performance trade-off analyses conducted.

28. *Critical Program Information (CPI).* Critical program information, technologies, or systems that, if compromised, will degrade effectiveness, shorten the expected effective life of the system, or significantly alter program direction. This includes classified information or unclassified controlled information about such programs, technologies, or systems.

29. *Cryptologic Training Systems (CTS).* This is a confederation of the National Security Agency/Central Security Service (NSA/CSS) and Service Cryptologic headquarters, training commands, and cryptologic schools established to train a competent cryptologic workforce.

30. *Defense Acquisition Workforce Improvement Act (DAWIA).* The Public Law (101-510) that established the policies and responsibilities of a Career Development Program for acquisition personnel.

31. *Earned Value Management (EVM).* A tool that allows both government and contractor program managers to have visibility into technical, cost, and schedule progress on their contracts. The implementation of EVM is a recognized function of program management. It ensures that cost, schedule, and technical aspects of the contract are integrated.

32. *Electromagnetic Compatibility (EMC).* The ability of telecommunications equipment, subsystems, and systems to operate in their intended operational environments without suffering or causing unacceptable degradation because of electromagnetic radiation or response.

33. *Evolutionary Acquisition.* An acquisition strategy approach in which a core capability is fielded, with a system design that has a modular structure and provisions for future upgrades and changes as requirements are refined. An EA strategy is well suited to high technology and software intensive programs where requirements beyond a core capability can generally, but not specifically be defined.

34. *Exit Criteria.* Exit criteria are used to establish goals for acquisition programs during an acquisition phase. The exit criteria will serve as gates that, when successfully passed or exited, demonstrate that the program is on track to achieve its final program goals and should be allowed to continue with additional activities within an acquisition phase or be considered for continuation into the next acquisition phase. Exit criteria are not part of the APB and are not intended to repeat or usurp the minimum required accomplishments for each phase. They do not cause program deviations. Exit criteria are some level of demonstrated performance (e.g., a level of engine thrust), the accomplishment of some process at some level of efficiency (e.g., first flight), or some other criterion (e.g., establishment of a training program or inclusion of a particular clause in the follow-on contract) that indicates that aspect of the program is progressing satisfactorily. Exit criteria are documented in the ADM. The MAIS Quarterly Report is the mechanism for status reporting of exit criteria for Major Automated Information System programs on which the ASD (C3I) is the MDA.

35. *External Programs*. Programs either (1) not funded or managed by NSA; or (2) programs which will interface with non-NSA entities, requiring the creation of a C4ISP and oversight by ASD (C3I).

36. *Financial Plan (FINPLAN)*. Contains the funds appropriated and allocated to the Agency annually by Program Element (CCP, ISSP, DCIP, DCP, DARP, FHP) and Appropriation (RDT&E, Procurement, O&M, etc.).

37. *Full Operating Capability (FOC).* The full attainment of the capability to employ effectively a weapon, item of equipment, or system of approved specific characteristics, which is manned and operated by a trained, equipped, and supported user.

38. *Incremental Acquisition*. An acquisition strategy where user requirements are well understood and easily defined, but assessment of other considerations (e.g., risks, funding, schedule, size of program, or early realization of benefits) indicate a phased approach is more beneficial. The deployment of functionality is through a number of clearly defined system "increments" that stand on their own (see definition for Evolutionary Acquisition). With this approach, selected capabilities can be deferred so that the system can be fielded while the deferred element is developed in a parallel or subsequent effort.

39. *Information Technology (IT).* Any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. Equipment is used if it is used directly or used by a contractor under NSA/CSS contract which (i) requires the use of the equipment, or (ii) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product. IT includes computers, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. IT does not include any equipment that is acquired by a contractor incidental to an NSA/CSS contract.

40. *Initial Operational Capability (IOC).* The point in the acquisition process at which a system is available for mission tasking. For NSA/CSS, it is typically achieved when an Operational Acceptance Test and Evaluation (OAT&E) has been conducted and the results have been documented; deficiencies, along with responsibilities and timetables for their correction or disposition, have been identified; and an acceptance decision has been formally recorded as part of a System Commissioning Report (SCR).

41. *Integrated Management Framework (IMF*). The IMF is comprised of DoD's three principal decision support systems: (1) the Requirements Generation System, which produces information for decision-makers on projected mission needs; (2) the Acquisition Management System, which provides for a streamlined management structure and event-driven management process that emphasizes risk management and affordability and that explicitly links major decision point decision to demonstrated accomplishments; and (3) the Planning, Programming, and Budgeting System (PPBS), which provides the basis for making informed affordability assessments and resource allocation decisions on defense acquisition programs.

42. *Integrated Product and Process Development (IPPD).* A management technique that simultaneously integrates all essential acquisition activities through the use of multidisciplinary teams to optimize the design, manufacturing, supportability, oversight

and review processes. One of the key IPPD tenets is multidisciplinary teamwork through IPTs.

43. *Integrated Product Team (IPT).* IPTs are composed of representatives from all appropriate functional disciplines working together to build successful programs and enabling decision-makers to make the right decisions at the right time. See Annex I.

44. *Interface.* The functional, performance, and physical characteristics required to exist at a common boundary between two or more systems or Agency operations.

45. *Internal Programs*. Programs funded or managed by NSA.

46. *Interoperability.* The ability of systems to exchange information directly or the ability to interchange subsystems, equipments, parts and software.

47. *Key Performance Parameter (KPP).* Those cost, schedule, or performance capabilities or characteristics so significant that failure to meet the threshold can be cause for the concept or system selection to be re-evaluated or the program to be reassessed or terminated. KPPs are expressed as objectives and thresholds. The following criteria should be applied when selecting KPPs: Is it important? Is it operationally oriented? Is it achievable/testable? Can the numbers/percentages be explained by analysis? If not met, are you willing to look at canceling the program? KPPs are validated by the MDA and may not be traded off without the MDA's approval. KPPs are extracted from the ORD and included in the APB. KPPs validated by the JROC or by ASD(C3I) may not be traded off without JROC or ASD (C3I) review.

48. *Life-Cycle Cost (LCC).* The sum total of the direct, indirect, recurring, nonrecurring, and other related costs incurred, or estimated to be incurred, in the design, development, production, installation, operation, maintenance and support of a system over its anticipated useful life-span. LCC estimates shall be documented in the ORD/APB.

49. *Information Technology Overarching Integrated Product Team (IT OIPT).* DoD's senior level forum for advising the ASD (C3I) on critical decisions concerning Major programs on which the ASD (C3I) is the MDA. The IT OIPT is chaired by the ASD (C3I). Principal members of the IT OIPT include representatives from the offices of the Under Secretary of Defense (Comptroller); the Joint Chiefs of Staff (JCS); the Director, Operational Test and Evaluation (DOT&E); the Director, Program Analysis and Evaluation (DPA&E); the Director, Acquisition Program Integration (API); the Director, Test, Systems Engineering and Evaluation (DTSE&E); the Deputy ASD (C3I); the user representatives; and the cognizant CIO or Senior AE, as appropriate. The Deputy ASD (C3I Acquisition) is the IT OIPT Executive Secretary and either leads or designates the leader of the OIPT. The IT OIPT Chairman is also routinely supported by other senior DoD advisors or their representatives who may be invited by the ASD (C3I) to participate in IT OIPT meetings as needed.

50. *Materiel Solution.* A defense acquisition program (non-developmental, modification of existing system(s), or new program) that satisfies identified mission needs.

51. *Measures of Effectiveness (MOEs).* MOEs should be developed, when appropriate, to quantify how well alternatives satisfy the operational need qualitatively described in the MNS. These MOEs--general system-level engagement outcomes--should be described in the initial ORD and may be included in the APB section of the ORD/APB at Milestone I.

The MOEs play a vital part in linking the ORD, APB, and TEMP. Since MOEs are rarely amenable to end-to-end tests, the capabilities (measures of performance) and characteristics (design features) in the initial and subsequent ORDs should be refined to a level of specificity that allows development and operational testing to verify that the system has met its required operational effectiveness and suitability.

52. *Measures of Performance (MOP).* Measures of lowest level of performance representing subsets of MOEs. Examples are speed, payload, range, time on station, frequency, or other distinctly quantifiable performance features.

53. *Major Decision Authority (MDA).* A senior NSA executive (e.g., DDI, DDT, DDO), SCE, Military Service, or designee responsible for exercising management control and decision and approval authority over projects and systems during the acquisition management process. The MDA can be delegated by the SAE to the Key Component or Service equivalent level.

54. *Mission Area Analysis (MAA).* The MAA is the process used to define, describe, and justify a mission need to satisfy a capability deficiency or exploit a technological opportunity to provide new capabilities, reduce ownership costs, or improve the effectiveness of current equipment and systems.

55. *Mission Need Statement (MNS).* The MNS is the document that describes required operational capabilities and constraints to be studied during the Concept Exploration and Definition Phase. The MNS results from the MAA process. It will be a non-system-specific statement of operational capability need, written in broad operational terms.

56. *National Security System (NSS).* Information technology for national security. Any telecommunications or information system operated by the United States Government, the function, operation, or use of which: involves intelligence activities; involves cryptologic activities related to national security; involves command and control of military forces; involves equipment that is an integral part of a weapon or weapons system; or is critical to the direct fulfillment of military intelligence missions (does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications)).

57. *Non-Developmental Item (NDI).* A nondevelopmental item is any previously developed item of supply used exclusively for government purposes by a Federal Agency, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement.

58. *Non-materiel Solution*. Solutions to mission needs that can be satisfied by changes in doctrine, tactics, operational concepts, training, or organizations.

59. *Objective Value.* The objective value is that desired by the user and which the PM is attempting to obtain. The objective value could represent an operationally meaningful, time critical, and cost-effective increment above the threshold for each program parameter. Program objectives (parameters and values) may be refined based on the results of the preceding acquisition phase(s).

60. *Operational Requirements Document (ORD).* The ORD is a formatted statement containing performance and related operational parameters for the proposed concept or system.

61. *Operations Security (OPSEC).* An analytic process by which the U.S. Government and its supporting contractors can deny to potential adversaries information about capabilities and intentions by identifying, controlling, and protecting evidence of planning and execution of sensitive activities, acquisitions, and operations.

62. *Principal Staff Assistant (PSA).* The OSD PSAs represent the user community in the functional area under their direction on acquisition and requirements matters. The OSD PSAs are the Under Secretaries of Defense (USDs), the Director of Defense Research and Engineering (DDR&E), the Assistant Secretaries of Defense (ASDs), the Director, Operational Test and Evaluation (DOT&E), the General Counsel of the Department of Defense (GC, DoD), the Inspector General of the Department of Defense (IG, DoD), the Assistants to the Secretary of Defense (ASDs), and the OSD Directors or equivalents, who report directly to the Secretary or the Deputy Secretary of Defense. In most cases, NSA's PSA will be the ASD (C3I).

63. *Program* 1. A DoD acquisition program. 2. As a verb, program means to schedule funds to meet requirements and plans. 3. A major, independent part of a software system. 4. A combination of program elements designed to express the accomplishments of a definite objective or plan.

64. *Program Executive Officer (PEO).* PEOs serve as decision authorities for assigned programs or for a specific purpose. The Chief, Program Executive Group within the SAE organization will be delegated oversight on selected Major programs. While the NSA acquisition management chain of command does not traditionally include the PEO position, NSA's Senior Acquisition Executive and DoD or federal regulations may call for appointment of a PEO for dedicated executive management of a program or for a specific purpose. Program PEOs review and assess changes reported in assigned programs, the significance of the problems reported by the program manager, the program manager's proposed action plans, and the 1evel of risk associated with such plans. Program PEOs also serve as decision authorities for assigned programs: they concur in the APB; determine the type and number of acquisition plans in coordination with the program manager; are the approval authority for serious risk hazards; sign off on the TEMP; attend meetings; and review the IT OIPT Quarterly Report before submission to the ASD (C3I). The duties of a special purpose PEO will vary according to the need and will be defined in the appointment document signed by the SAE; e.g., a Federal Acquisition Regulation requirement for identification of a waiver authority at the PEO level will require the SAE's appointment.

65. *Program/Project Manager (PM).* The individual who has primary responsibility for the planning, management, and execution of an acquisition program/project.

66. *Program Management*. The process whereby a single leader exercises centralized authority and responsibility for planning, organizing, staffing, controlling, and leading the combined efforts of participating/assigned civilian and military personnel and organizations, for the management of a specific defense acquisition program or programs, throughout the system life cycle.

67. *Project*. 1. Synonymous with program in general usage. 2. Specifically, a planned undertaking having a finite beginning and ending, involving definition, development, production, and logistics support of an AIS, a major weapon or weapon support system or systems. A project may be the whole or part of a program.

68. *Quick Reaction Capability (QRC).* A system capability required sooner than the normal sequence of planning and programmatic action will permit, i.e., initial investment required prior to Program Year 1. (See Annex L.)

69. *Requirement Sponsor*. The organization, which represents the user and originates a requirement that leads to the initiation of an acquisition program.

70. *Risk Management*. An organized, analytical process of identifying vulnerabilities; quantifying and assessing associated risks; and selecting, implementing, and controlling security countermeasures to achieve an acceptable level of risk at an acceptable cost.

71. *Senior Acquisition Executive (SAE).* A single official within a DoD Component who is responsible for all acquisition functions.

72. *Single Process Initiative (SPI).* SPI transitions contractor facilities from multiple government-unique management and manufacturing systems to the use of common facility-wide processes. Using a "block change" modification approach, SPI unifies requirements in existing contracts on a facility-wide basis, rather than on a contract-by-contract basis. Under the SPI, DoD accepts SPI processes in lieu of specific military or federal specifications or standards that specify a management or manufacturing process.

73. *Support Organization*. Any organization having an involvement in the life cycle support of a system. A system normally has multiple support organizations responsible for such diverse functions as on-site maintenance support, logistics support, engineering support, training support, communications support, etc. The requirements of these support organizations are expressed in original system requirement specifications and/or the Acquisition Logistics Support Plan (ALSP) and T&E.

74. *System.* A composite of equipment, skills and techniques capable of performing or supporting an operational role. A complete system includes all of the associated equipment, facilities, material, software, technical documentation, services and personnel required for operations and support to the degree necessary for self- sufficient use in its intended operational environment.

75. *System Commissioning Report (SCR).* A standardized transitioning document that: specifies terms, conditions and responsibilities for transitioning an NSA/CSS system from the acquiring organization/developer to the sponsoring/using/supporting organizations; certifies that the system is ready for OAT&E and provides a list of deficiencies discovered during on - site DT&E for use during OAT&E and SCR III preparation; and documents the deficiencies identified during OAT&E, establishes actions and responsibilities for corrections, and formally records the acceptance of the system for achievement of IOC.

76. *Test and Evaluation Master Plan (TEMP).* A coordinated, basic plan that relates test objectives to required system characteristics, critical issues, and risks. It integrates the objectives, responsibilities, resources, and schedules of all T&E to be accomplished.

77. *Threshold Value.* The threshold value is the minimum acceptable value that, in the user's judgment, is necessary to satisfy the need. If threshold values are not achieved, program performance is seriously degraded, the program may be too costly, or the program may no longer be timely.

78. *Trade Space*. The spread between the objective and threshold values. The trade space shall be individually set for each program based on the characteristics of the program (e.g., maturity, risk, etc.). Cost, schedule, and performance may be traded off within the trade space. Trade-offs outside the trade space may not be made without the approval of the MDA. KPPs validated by the JROC or ASD(C3I) may not be traded off without JROC or ASD (C3I) review.

79. *Transition.* The overall process of transferring responsibility for operations and support of a system from the acquiring organization or developer to the sponsor, user, and support organizations.

80. *User.* Any organization that performs the "hands- on" actions required in the functional use of a system for its intended operational purpose(s).

81. *Validation Phase*. The validation phase is the formal review process of a requirements document, by an operational authority other than the user, to confirm the identified need and operational requirement. The validation authority for MNSs, CRDs, and ORDs is dependent upon potential acquisition category and/or if a program is designated JROC special interest.

ANNEX B

WORK AIDS

The following work aids are provided to assist acquisition managers in their understanding and implementation of the NSAC 5000 acquisition process. Suggestions for other work aids are welcomed and should be directed to the DA/P&P.

a. Appendix 1: Acquisition Management Matrix

b. Appendix 2: Reference Card

c. Appendix 3: Acquisition Decision Memorandum

d. Appendix 4: Draft Budget Worksheet

ACQUISITION MANAGEMENT MATRIX

	Major External	**Major Internal**	**Non Major Special Interest**	**Other******	**Budget Line O&M, Etc.**
MDA	ASD (C3I)	NSA SAE *	NSA SAE *	NSA SAE *	N/A
DOLLAR AMOUNT	30M + per year, 120M + total program 360M + LCC	30M + per year, 120M + total program 360M + LCC or 135M + R&D, 640M + Procurement	Up to 30M per year, up to 120M total Program, up to 360M LCC	Up to 30M per year, up to 120M total Program, up to 360M LCC	Normally Small $s
DOCUMENTS REQUIRED	MNS, ORD/APB, Draft Budget Worksheet ADM, TEMP, C4ISP**, MAIS Quarterly Report	MNS, ORD/APB, Draft Budget Worksheet, ADM, TEMP, ALSP, MAIS Quarterly Report	MNS, ORD/APB, Draft Budget Worksheet, ADM, TEMP, C4ISP**, ALSP, and TEMP (if required)	MNS, ORD/APB, Draft Budget Worksheet, ADM, C4ISP**, ALSP, and TEMP (if required)	Draft Budget Worksheet and ADM
DECISION REVIEW BOARD	IT OIPT/ASD(C3I)	ARB/NSA SAE	ARB/NSA SAE	ARB/NSA/SAE or KC, SCE, Service Discretion if delegated	N/A
OVERARCHING IPT LEADER (STAFF SUPPORT)	DASD(C3I)	SAE	SAE	SAE ***	N/A

* The NSA CIO and KC, SCE, Service Chief, or Designee may be designated MDA at NSA SAE's discretion.
** C4ISP required for all programs with external C4I impact regardless of dollar amount.
*** KC, SCE, or Service lead, if delegated, with SAE insight 5M + per DFARS 207.103 requirement for written acquisition plans.
**** The SAE may designate Other programs as Special Interest at his discretion

REFERENCE CARD

Major Decision Making Support Systems: The Integrated Management Framework

Requirements Generation System - produces information for decision-makers on projected mission needs.

Planning, Programming & Budgeting System (PPBS) - provides basis for making informed affordability assessments and resource allocation decisions on defense acquisition programs.

Acquisition Management System - provides for a streamlined management structure and event driven process that explicitly links major decision point decisions to demonstrated accomplishments and is the means for translating mission needs into deliverable products effectively and efficiently.

Glossary -

Mission Need Statement (MNS) **-** describes required operational capabilities and constraints to be studied during Concept Exploration and Definition Phase. A non-system specific statement of operational capability need written in broad terms.

Operational Requirements Document (ORD) - a formatted statement containing performance and related operational parameters for the proposed concept or system.

Acquisition Program Baseline (APB) - required for every acquisition program to document key cost, schedule, and performance thresholds and objectives for that program beginning at program initiation (Major Decision Point I). Also includes the program's Acquisition Strategy, LCCE (to include CAIV objectives, the TEMP, the ALSP, and the Risk Management Plan). Performance shall include supportability and, as applicable, environmental requirements. The ALSP may be included as an annex to the ORD/APB. Developed and Updated by the Program Manager, each baseline will govern the activity in the phase succeeding the major decision point for which it was developed. The Concept Baseline, Development Baseline, and Production Baseline are prepared at Major Decision Points I, II, and III, respectively.

Test and Evaluation Master Plan (TEMP) - a coordinated basic plan that relates test objectives to required system characteristics, critical issues, and risks. It integrates the objectives, responsibilities, resources, and schedules of all T&E to be accomplished.

Cost As An Independent Variable (CAIV) - establishing the affordable price for a system and then trading off either performance or schedule to meet that price as long as the Key Performance Parameters of the system are met.

Exit Criteria - used to establish goals for acquisition programs during an acquisition phase. Exit criteria serve as gates, when successfully passed or exited, demonstrate the program is on track or progressing satisfactorily to achieve its goals and/or be considered for continuation into the next acquisition phase.

Threshold Value - the minimum acceptable value that, in the user's judgment, is necessary to satisfy the need. If threshold values are not achieved, program performance is seriously degraded, the program may be too costly, or the program may no longer be timely.

Objective Value - an operationally meaningful, time critical, and cost effective increment above the threshold that is desired by the user and which the program manager is attempting to obtain.

Trade Space - the spread between the objective and threshold values; individually set based on each program's characteristics (e.g., maturity, risk, etc.). Cost, schedule, and performance may be traded off within the trade space. Trade-offs outside the trade space may not be made without the MDA's approval, KPP's validated by the JROC or ASD (C3I) may not be traded off without JROC or ASD (C3I) review.

Key Cost, Schedule, and Performance Parameters (KPPs) - Those cost, schedule, or performance capabilities or characteristics so significant that failure to meet the threshold can be cause for the concept or system selection to be reevaluated or the program to be reassessed or terminated.

Classification

ACQUISITION DECISION MEMORANDUM
Template

* * * *

Major Decision Point *x*
For
Program Name

( ) ADM should be Written and Distributed by PM NLT 15 Calendar Days after Major Decision Point Review Held. An approved ADM signed by both the PM and MDA authorizes the expenditures of funds and is required for PR approval.

1. ( ) Major Decision Point (MDP): *e.g., Major Decision Point 0, I, II, or III*

2. ( ) Date Held:

3. ( ) Who Attended: Give *Names, Titles, and Organizations of Attendees. Key Stakeholders Should be Invited to Review, e.g., User(s), Applicable SCE Rep, Key Support Personnel, KC and N2 NSA 5000 Reps, etc.*

4. ( ) Describe Work Accomplished in Last Phase: Description *Should Show Explicit Linkage Between Demonstrated Accomplishments in Last Phase and Major Decisions Sought from MDA at this Review. Narrative Should Discuss Data Points Described in Paragraphs 6-10 Below, Baselined for the Last Phase of Work. In Addition, Narrative Should Discuss Program Deviations in Last Phase, if any, and Program Adjustments/Results of Program Deviation Review Process (PDRP) Activity.*

5. ( ) Documents Updated to Incorporate Last Phase's Work & Presented for MDA's approval at this MDP: e.g., *updated PMP, ORD/APB, RTMP, C4ISP, TEMP, and ALSP. State if the Documents Approved or if MDA Directs Rework (Describe Rework Required and Estimate for Resubmission To MDA for Approval).*

6. ( ) Acquisition Strategy for Next Phase Proposed by PM: Describe *PM's Strategy and MDA's Decision. Acquisition Strategy must be Approved by MDA Before RFP Released for Contracts Involving Work in Next Phase or Future Phases.*

7. ( ) Thresholds/Objectives for Next Phase Proposed by PM and Approved by MDA:
   a. Cost
   b. Schedule
   c. Performance

Classification

Classification

8. ( ) Key Cost, Schedule, & Performance (KPP) Thresholds for Next Phase Proposed by PM and Approved by MDA*: Refer to APB Section of ORD/APB Presented for MDA's Approval at the MDP*.

9. ( ) Core Management Issues Reviewed by MDA Appropriate to this Major Decision Point. *Describe MDA's Assessment of Core Management Issues Chosen: Refer to Paragraph15 of NSA 5000.*

10. ( ) Exit Criteria Proposed by PM for Next Phase: *Describe PM's Proposal and MDA's Decision.*

11. ( ) Working-level Integrated Product Team (WIPT) Structure Proposed by PM for Next Phase: *Describe PM's Proposal and MDA's Decision.*

12. ( ) Tailoring Proposed by PM for Next Phase: reviewed by Key Component (up to $5M) or DA ($5M+)? *e.g., documentation, acquisition phases, timing, scope, and level of decision reviews. Describe PM's Proposal and MDA's Decision. Include results of KC or DA tailoring review in description.*

13. ( ) Based on the Information Above, PM Recommends to MDA that Program Should be Continued, Modified, Suspended, or Terminated: *Choose One and Give Rationale and MDA's Decision.*

14. ( ) Estimated Date of Next Major Decision Point Review:

_____	_____	_____
PM's Name & Signature	Organization	Date
_____	_____	_____
MDA's Name & Signature	Organization	Date

DISTRIBUTION:

MDA	NSA CIO
Sponsor	Cognizant Contracting Officer in DA11
KC, SCE, or Service Acquisition POC	DA131 ($5M+)
	Other Stakeholders at PM's Discretion

Classification

DRAFT BUDGET WORKSHEET

Budgetary data for all acquisition categories shall be uniform in accordance with the following format. The first page of the document shall be a signature page, and it shall identify the date of the document; the initiative title; the DA assigned NSA 5000 number; and the dated signatures and titles of the preparer, the validation authority, and the approval authority.

A. Procedural Guidance

1. Funding Profile
    a. Ensure that appropriations are correct for what is being acquired.
    b. Ensure that O&M is budgeted for out-year support.
    c. Justify billet requests in the narrative.
    d. Ensure that on-going programs have a Full Operational Capability (FOC) with an end to development funding.
    e. Justify any Change to Record Program resources in the narrative.

2. Cost/Manpower Breakdown
   Describe what will be accomplished in each year of the initiative by appropriation, e.g. RDT&E, O&M, and Procurement. Ensure that all appropriation expenses shown on the funding profile are justified in this section. For example, RDT&E can be used to design or develop new software.

3. Rationale for Change
   If the funding profile has resources in the Change to Record Program lines, their use should be described here. The narrative must detail why the funding profile shows an increase or decrease in dollars.

B. Format

I. Identifying Data Date:

Initiative Title: (Current/Former) Covername: (Current/Former)

(Provide all names applicable)

Name of Aggregate: (If aggregated with the other initiatives)
Project Group: Project Group Code:
UFA: EC: INVCAT:

Status: (New/Ongoing) Start Year: FOC+l in FY:
Planning Reference: (If applicable)

NSRL Requirement #/Priority #: Code: (Key Component Use)

Key Component Priority #:

NSA 5000 Requirement #: (DA/P&P will assign upon receipt of MNS)

NSA 5000 Documentation Deferred from Previous Build: Yes No
Prepared by: (Name/Organization/Phone)

II. Funding Profile ($000) (Annual Uninflated Dollars)

PROGRAM FOR RECORD

	FY_	FY_	FY_	FY_	FY_	FY _	FY_	FY_
RDT&E								
PROC								
O&M								
MILCON								
TOTAL $								
BILLETS								

CHANGE TO RECORD PROGRAM

	FY_	FY_	FY_	FY _	FY_	FY_	FY_	FY_
RDT&E								
PROC								
O&M								
MILCON								
TOTAL $								
BILLETS								

PROPOSED PROGRAM

	FY_	FY_	FY_	FY _	FY_	FY_	FY_	FY_
RDT&E								
PROC								
O&M								
MILCON								
TOTAL $								
BILLETS								

TOTAL INITIATIVE COSTS:

ANNEX C

MISSION NEED STATEMENT (MNS)

1. Purpose:

The MNS describes required operational capabilities and constraints to be studied during the concept exploration phase. The MNS is a non-system-specific statement of operational capability need, written in broad operational terms.

2. Procedures:

a. Administrative:

(1) The length of the MNS and depth of planning are tailored to the scope, complexity, and cost of the program. Detail beyond that essential for corporate understanding and commitment is discouraged. Normally, MNSs need be no longer than five pages.

(2) A minimum of three weeks will be allowed for coordination (six weeks for DCP-funded programs). For each coordinating organization, concurrence should be based on areas of the MNS which directly affect them or for which they are functionally responsible and represent commitment to required actions and resources. Comments on other areas should be provided for consideration only.

(3) The MNS approval authority is encouraged to conduct MNS reviews to resolve areas of disagreement or confusion. Issues surfaced during the MNS coordination process will be accommodated through appropriate revision to the MNS; resolved during the MNS review meeting; or returned to the originator with supporting rationale for non-inclusion in the MNS. The MNS approval authority documents and distributes the results of the MNS review, with a copy of the approved MNS, to all coordinating elements. When major issues remain unresolved, the affected organization may seek resolution via the Integrated Product Team (IPT) process, which enables progressive escalation of issues for resolution from working-level IPTs to the Overarching IPT, which may elevate the issue to the Acquisition Review Board for a decision.

(4) A MNS update is not normally required after the document has been validated and approved because follow-on acquisition documentation (the Operational Requirements Document and refinements thereto) will build upon this initial statement of mission need. A new MNS will be required if the initial broad statement of mission need changes.

b. Preparation:

The user or requirement sponsor prepares the MNS. The associated Draft Budget Worksheet is prepared in accordance with Program Procedural Instructions and CFM Program Guidance published annually. Both documents are submitted to the sponsoring Key Component for consideration in the program/budget build and are the sponsor's vehicles for entering the requirements generation and budgeting processes. The initiative enters the acquisition system only after the mission need has been validated and approved and funding is budgeted.

c. Validation and Approval:

(1) Major (30M + per year, 120M + total program or 360M + LCC): If an acquisition program is expected to meet the dollar threshold criteria for Major, the MNS is prepared by the user or requirement sponsor, coordinated, and forwarded through the DDO for SIGINT and/or DDI for INFOSEC or designee, to the DA/P&P. DA/P&P will review the MNS to determine whether it is Major External or Major Internal. If the determination is Major External, the MNS is submitted to the Director NSA, for internal validation. The MNS will then be forwarded to the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence ASD (C3I)) who will validate the need (with JROC assistance, as appropriate) and determine how the program will be managed. If the determination is Major Internal, the MNS is submitted to the Director, NSA for validation and approval. The validated and approved MNS is forwarded to the NSA SAE, who will retain the MNS for action.

(2) Major (135M + R&D or 640M + Procurement): If a non-AIS acquisition program is expected to meet this dollar threshold criteria, the MNS is prepared by the user or requirement sponsor, coordinated, and forwarded through the DDO or designee for SIGINT and/or the DDI or designee for INFOSEC to the DA/P&P for submission to the Director, NSA, for validation. -The validated need is forwarded to the Director, NSA for validation. The SAE, as the MDA for these programs, determines the appropriate number of phases, decision points, and documentation to meet the specific needs of the program and determines how the program will be managed. DA/P&P will serve as the acquisition staff for the SAE.

(3) Special Interest and Other Programs: Validation and approval is accomplished by coordination of the MNS with all affected parties, culminating in DDO or his designee (for SIGINT) or the DDI or designee (for INFOSEC) signature on the coordinated MNS. After the MNS has been validated and approved, and funding has been budgeted. Both documents are forwarded to the appropriate MDA for action. Validation and approval of the MNS shall occur prior to Major Decision Point 0.

ACAT	Preparation	Pre-validation	Validation	Approval
Major 30M + per year, 120M + total program or 360M + LCC 135M + R&D or 640M + Procurement	User or Sponsor	DDO for SIGINT and/or DDI for INFOSEC or Designee. For Major External, DIRNSA also pre-validates.	Major External - ASD(C3I), Major Internal - DIRNSA	Major External - ASD(C3I), Major Internal - DIRNSA
Special Interest	User or Sponsor	Not Required	DDO for SIGINT and/or DDI for INFOSEC or Designee	DDO for SIGINT and/or DDI for INFOSEC or Designee
Other	User or Sponsor	Not Required	DDO for SIGINT and/or DDI for INFOSEC or Designee	DDO for SIGINT and/or DDI for INFOSEC or Designee

Figure C - 1

3. Special Provisions:

a. Command. Control. Communications. Computers. and Intelligence (C4I) MNSs. Validation of MNSs for acquisition programs which will interface with a non-NSA-unique C4I system must include a Joint Chiefs of Staff (JCS)/J-6 certification of C4I interoperability considerations. (The J-6 is the Director for C4I Systems within the JCS.) Upon completion of internal coordination, these

MNSs will be forwarded to DA/P&P for pass-through to the Acquisition Review Board, and subsequently, ASD (C3I). ASD (C3I) is NSA's point of entry for this review. Validated C4I MNSs will be forwarded to the appropriate approval authority for action (see paragraphs 2.c. above). The C4I Support Plan (see Annex G) is a required attachment to the MNS.

b. Joint Programs. Joint programs are those involving a strategy that includes funding by more than one DoD component during any phase of a system's life cycle. Requires that the relationship between the designated lead organization and the Military Departments and Defense Agencies and their respective responsibilities be specified in a MOA. The MOA shall address, at a minimum: system requirements, funding manpower, operational requirements, and the approval process for the ORD and other program documentation.

c. C4I Systems. All C4I systems having joint interoperability requirements, regardless of acquisition category, must be tested and certified by the Joint Interoperability Test Command (JITC). This testing may be performed in conjunction with other testing (i.e., DT&E, OT&E, early user tests, etc.) whenever possible to conserve resources. The Director, DISA, through the use of the JITC shall certify to the developmental and operational testing organizations and to the Chairman of the Joint Chiefs of Staff that C4I systems and equipment meet the applicable requirements for compatibility, interoperability, and integration based on JITC certification testing, and other pertinent T&E results.

d. MNSs Based on Military or Intelligence Threat: MNSs based on a military or intelligence threat requires Defense Intelligence Agency (DIA) validation. Upon completion of internal coordination, these MNSs will be forwarded to DA/P&P for pass-through to the Acquisition Review Board, and subsequently, ASD (C3I). The validated MNS will be forwarded to the appropriate approval authority for action (see paragraph 2.c. above).

e. Defense Cryptologic Program (DCP) MNSs:

(1) DCP MNSs will be submitted in accordance with Figure D-1 for NSA initiatives or appropriate Service level signature for Service initiatives. Service requirements documents for DCP initiatives will be coordinated within NSA by DA/P&P. DA/P&P is also the focal point for external coordination of NSA-sponsored DCP requirements documents.

(2) NSA comments on Service DCP MNSs will be forwarded to NTIO for consolidation and subsequent DA/P&P transmission to the appropriate Service for consideration. Generally, comments will address interoperability between existing and future Service tactical SIGINT systems, connectivity between tactical and national systems, applicable technology that may satisfy the requirement, and possible duplication of ongoing effort. Similarly, Service comments on NSA-originated DCP initiatives will be forwarded by DA/P&P to NTIO for compilation and sent to the appropriate NSA sponsor for consideration.

MISSION NEED STATEMENT (MNS) FORMAT

Mission Need Statements for all acquisition categories shall be uniform in accordance with the following format, unless a tailoring request is granted in accordance with Annex M of this circular. Regardless of tailoring, the first page of the MNS shall be a signature page, and it shall identify the date of the document; the initiative title; the acquisition phase the document covers; the DA assigned NSA 5000 number; and the dated signatures and titles of the preparer, the validation authority, and the approval authority.

MISSION NEED STATEMENT
FOR
TITLE OF OPERATIONAL CAPABILITY NEED

1. Defense Planning Guidance Element. Identify the major program planning objective or section of the Defense Planning Guidance to which this need responds. Also reference the Joint Intelligence Guidance and DoD or NSA long-range investment plans, if applicable.

2. Mission and Threat Analyses. Identify and describe the mission need or deficiency. Define the need in terms of mission, objectives, and general capabilities. Do not discuss the need in terms of equipment or system-specific performance characteristics. If the mission need or deficiency is based on a military or intelligence threat and the program will be reviewed by the Defense Acquisition Board, discuss the Defense Intelligence Agency-validated threat to be countered as well as the projected threat environment and the shortfalls of existing capabilities or systems in meeting these threats. Comment on the timing of the need and the general priority of this need relative to others in this mission area.

3. Nonmateriel Alternatives. Discuss the results of the mission area analysis. Identify any changes in U.S. or Allied doctrine, operational concepts, tactics, organization, and training that were considered in the context of satisfying the deficiency. Describe why such changes were judged to be inadequate.

4. Potential Materiel Alternatives. Identify known systems or programs addressing similar needs that are deployed or are in development or production. Discuss the potential for inter-DoD or intelligence community cooperation. Indicate potential areas of study for concept exploration/ definition including the use of existing commercial systems or product improvements of existing systems. Do not evaluate these alternatives.

5. Constraints. Describe, as applicable, key boundary conditions related to infrastructure support that may impact on satisfying the need: logistics support and transportation; manpower, personnel, and training constraints; command, control, communications, and intelligence interfaces; security; and standardization or interoperability with other DoD Components. Address the operational environments in which the mission is expected to be accomplished. Define the level of desired mission capability in these environments.

6. Joint Potential Designator (JPD). Indicate the JPD established through the validation process. The JPD is used to describe the expected level of joint DoD Component or intelligence community involvement.

a. Independent. No potential for other DoD Component use or systems interface or for joint development or procurement.

b. Joint Interest. Joint program management is inappropriate, but a potential for other DoD Component use or systems interface exists. (Formerly known as "interoperating.")

c. Joint. A potential for joint program management, joint funding, and/or joint development or procurement exists. Joint potential will be examined individually and collectively, depending on acquisition category, by the ASD (C3I), the Joint Staff, the Services, and/or the Defense agencies for each MNS before Major Decision Point 0, each proposed new start acquisition program at Major Decision Point I and each ongoing acquisition program at Major Decision Points II and III. The MNS sponsor will assess the joint potential of the MNS as part of the validation process. The sponsor will assign a JPD based on the input received during coordination. After MNS validation, the validation authority will include the assigned JPD in the recommendation to the MDA. Joint Programs are those involving a strategy that includes funding by more than one DoD component during any phase of a system's life cycle. Requires that the relationship between the designated lead organization and the Military Departments and Defense Agencies and their respective responsibilities be specified in a MOA. The MOA shall address, at a minimum: system requirements, funding manpower, operational requirements, and the approval process for the ORD and other program documentation. All C4I systems having joint interoperability requirements, regardless of ACAT, must be tested and certified by the Joint Interoperability Test Command (JITC). This testing may be performed in conjunction with other testing (i.e., DT&E, OT&E, early user tests, etc.) whenever possible to conserve resources. The Director, DISA, through the use of the JITC shall certify to the developmental and operational testing organizations and to the Chairman of the Joint Chiefs of Staff that C4I systems and equipment meet the applicable requirements for compatibility,

interoperability, and integration based on JITC certification testing, and other pertinent T&E results.

7. Major Automated Information Systems (MAIS) Programs. The following additional information should be incorporated in the MNS format:

a. Defense Planning Guidance Element: Describe how the mission need relates to the OSD Principal Staff Assistant's (PSA), the DoD Chief Information Officer's, and the NSA Chief Information Officer's strategic planning. In most cases, the PSA for NSA will be ASD (C3I).

b. Mission and Threat Analyses: Describe the functional area or activity the MNS supports, and the functional area or activity's current organization and operational environment, with emphasis on existing functional processes, including the concept of operation of the existing functional processes, procedures, and capabilities. Describe the shortfalls of existing capabilities.

c. Constraints: Identify the classification level(s) and level of assurance required for the system; describe the anticipated system security, systems interface(s) and interoperability requirements, if known. Include information warfare in the discussion of operational environments in which the mission is expected to be accomplished.

8. Major Decision Authority (MDA). Identify the MDA. The selection of the MDA should be consistent with the associated cost, complexity, and risk factors of the system acquisition. Concurrence by the proposed MDA constitutes agreement on the assignment of acquisition responsibility. Refer issues regarding MDA assignment to the cognizant Key Component or SCE acquisition focal point or DA/P&P.

9. Next Action. Propose the next action and give rationale for selection, if other than preparation of the ORD/APB. Refer issues regarding determination of the next action to the cognizant Key Component or SCE acquisition focal point or DA/P&P.

ANNEX D

PROGRAM MANAGEMENT PLAN (PMP)

1. Purpose.

The PMP is prepared by the PM for initiatives involving multiple system development efforts. The PMP describes an overall program architecture, management structure, management approach, and support arrangements.

2. Procedures.

A PMP will follow the outline in the attached. The depth of planning and content of the PMP should be appropriately tailored to and commensurate with the scope and complexity of the program it addresses.

a. When the PMP is used as an umbrella document for a large multiple systems program, it may be possible to have an overall Program MDA and other MDAs for subsystems/subprograms within the program. The PMP will clearly delineate who is responsible for the overall program and each subsystem/subprogram within the total program. The PMP will also describe mechanisms and reporting vehicles that will ensure subsystem/subprogram acquisitions meet the financial, technical, support, and schedule requirements of the program. The PMP is not an ORD and is not intended to be used for acquisition; it is not testable. Appropriate individual acquisition planning documents (e.g., ORD/APBs, C4ISPs, etc.) will be prepared for each subsystem/subprogram. The PMP provides guidance to support preparation of lower-level ORD/APBs and further provides a vehicle for the MDA to maintain oversight of the overall program. Common requirements must be included in lower-level ORD/APBs; the MDA may add or delete key cost, schedule, and performance parameters to ensure program ORD/APBs are consistent with the PMP. The PMP should be developed after the MNS is validated and prior to Major Decision Point 0. The tasked organization, with participation of other involved elements, will prepare the PMP and distribute it for coordination.

b. (U) A minimum of three weeks will be allowed for coordination (six weeks for DCP-funded initiatives). The final PMP, under signature of the appropriate validating and approval authorities (see Annex C, Figure C-1) will be forwarded, with coordination comments, to DA/P&P.

c. The PMP is a living document and should be periodically reviewed and updated to assure the Major Decision Authority has the latest information available for consideration at major decision points. In general, the PMP should be updated as the program evolves and adjustments occur which affect the program's overall architecture, management approach, support arrangements, or funding levels.

3. Special Provision. Defense Cryptologic Program (DCP) PMPs:

a. Service PMPs will be coordinated within NSA by DA/P&P. DA/P&P is also the focal point for external coordination of NSA-sponsored PMP documents.

b. NSA comments on Service DCP PMPs will be forwarded to NTIO for consolidation and subsequent DA/P&P transmission to the appropriate Service for consideration. Similarly, Service comments on NSA originated PMPs will be forwarded to DA/P&P for compilation and sent to the appropriate NSA sponsor for consideration.

PROGRAM MANAGEMENT PLAN

FORMAT

1. Identification: The first page of the PMP shall be a signature page, and it shall identify the date of the document, the initiative title; the acquisition phase the document covers; the DA/P&P- assigned NSA 5000 number; and the dated signatures and titles of the preparer, the validation authority, and the approval authority.

2. Program Description: Provide a brief narrative describing the program and its expected results.

3. Architecture: Provide a conceptual overview that depicts how the components of the program (developmental efforts, equipment acquisitions, site upgrades, etc.) interrelate and interact to produce the expected results.

4. Management Strategy/Acquisition Strategy: Describe the management structure and approach to be used in the development or acquisition effort. Include the acquisition strategy (in—house/contract development, use of support contracts, prototyping, incremental or evolutionary acquisition, etc.).

5. Organizational Responsibilities: List all principal internal and external organizations with a one-line statement of responsibility for each.

6. Funding Profile:

INVCAT_____
Data Source_____

Line Items	FY__	FY__	FY__	FY__	FY__	FY__
R&D						
PROCUREMENT						
MILCON						
O&M						
TOTAL						

7. Support: Describe the structure and approach required to prepare the Program/Project for operational use and identify life cycle support requirements.

8. Schedule: List major schedule events with completion dates or projected completion dates. Suggested milestones: MNS, ORD, APB, ALSR Conference, PD, Commit on PR, RFP, Contract Award, PDR, SCR I, CDR, TEMP II, DT&E, Deployment (NSAW, field sites, others), OAT&E, IOC, and others, as appropriate.

9. Reporting: Describe any method of program reporting, including report recipients and frequency of reports.

10. Next Action(s): Propose next action(s) and give rationale for selection. Refer issues regarding the determination of the next action to DA/P&P.

ANNEX E

OPERATIONAL REGUIREMENTS DOCUMENT (ORD) and

ACQUISITION PROGRAM BASELINE (APB)

1. Purpose:

The ORD shall be developed from, and remain consistent with, the initial broad statements of operational capability found in the MNS. The APB is developed based on the information found in the ORD. Multiple ORDs may result from a single MNS, and multiple APBs may result from a single ORD. The ORD and the APB are combined into one document to encourage enhanced collaboration between the user/requirement sponsor and the developing/acquiring organization to assure successful programs. The ORD/APB is required at the Program level. The combined document is jointly written by the user or requirement sponsor (the ORD) and the developing/acquiring PM (the APB and updates to the combined document as the requirement evolves). Primary responsibility to assure the ORD/APB is prepared, validated, and approved lies with the developing/acquiring PM. The MDA's approval of the combined ORD/APB is required for PR approval; an Acquisition Decision Memorandum documenting the MDA's approval of the ORD/APB at major decision points serves the same purpose.

a. ORD

(1) The ORD is a formatted statement containing operational performance parameters for the proposed concept or system. Each concept proposed at Major Decision Point I for continued evaluation in later phases shall be described in an initial ORD in terms that define the system capabilities needed to satisfy the mission need. The operational performance parameters in the initial ORD shall be tailored to the concept and reflect system-level performance capabilities such as range, platform survivability, operational availability, etc.

(2) The ORD should be vigorously scrubbed to retain only the program's minimum essential requirements and have on-going user involvement. For each major decision point beginning with program initiation (usually Major Decision Point I), thresholds and objectives initially expressed as measures of effectiveness or performance and minimum acceptable requirements for the proposed concept or system shall be documented by the user or user's representative in the ORD. Thresholds and objectives in the ORD shall consider the results of the analysis of alternatives and the impact of affordability constraints. For Major AIS programs that are National Security Systems (NSS), the AoA shall address whether (a) DoD should be performing the function, (b) the private sector or another agency can support the function, and (c) the function to be supported has been engineered. If no objective is specified, the threshold value shall be the objective value. Threshold values shall be individually set for each program based on the characteristics of the program (e.g., maturity, risk, etc.). If the threshold values are not otherwise specified, the threshold value for performance shall be the same as the objective value, the threshold value for schedule shall be the objective value plus three

months, and the threshold value for cost shall be the objective value plus 10 percent. Cost, schedule, and performance may be traded-off within the range between the objective and the threshold (known as the "trade space") without obtaining MDA approval. Trade-offs outside the trade space may not be made without the approval of the MDA and ORD approving authorities. Key cost, schedule, and performance characteristics (also known as Key Performance Parameters (KPPs) are extracted from the ORD and included in the APB. The values for an objective or threshold and definitions for any specific parameter contained in the ORD, TEMP, and APB shall be consistent.

(3) The initial and updated ORDs should be thoroughly reviewed by the user, user's representative, and ORD validation and approval authorities--with assistance from the development and test communities--to ensure the deficiencies and requirements are still valid when compared to the latest threat, guidance, and strategy documents. Validation confirms that the capabilities provided by the proposed concept and system will fulfill the mission need. It also confirms that there is no other materiel alternative (including another system) which will meet the need with little or no modification. Approval constitutes formal sanction and certification of the requirements document.

b. APB

(1) Every acquisition program shall establish an APB to document the program's (a) key cost, schedule, and performance objectives and thresholds; (b) the Life-Cycle Cost Estimate (LCCE) to include cost as an independent variable (CAIV) objectives; (c) the acquisition strategy to be pursued; (d) the test and evaluation plan; (e) the acquisition logistics support requirements summary; and (f) the risk management plan. All require user involvement. For Major programs, the PM shall incorporate the AoAs into the cost/benefit element structure and process in the LCCE section of the APB.

(2) KPPs are defined by the user and validated by the appropriate operational authority and may not be traded off without the user's and MDA's approval. For Major programs, the validating authority shall concur in the APB and the NSA SAE shall approve the APB. For Major programs, the MDA shall not approve the APB section of the ORD/APB without first coordinating it with the Under Secretary of Defense (Comptroller) and the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) (ASD (C3I)) to comply with Title 10, United States Code, Section 2220(a)(2), Performance based management: acquisition programs.

2. Procedure:

a. Administrative:

(1) The length of the ORD/APB and depth of planning are tailored to the scope, complexity and cost of the program. Detail beyond that essential for corporate understanding and commitment is discouraged. Normally, ORD/APBs need be no longer than 15 pages.

(2) A minimum of three weeks will be allowed for coordination (six weeks for DCP-funded programs). For each coordinating organization, concurrence should be based on areas of the ORD/APB which directly affect them or for which they are

functionally responsible and represent commitment to required actions and resources. Comments on other areas should be provided for consideration only.

(3) The user/requirement sponsor and the developing/acquiring PM are encouraged to conduct ORD/APB reviews to resolve areas of disagreement or confusion. Issues surfaced during the ORD/APB coordination process will either be accommodated through appropriate revision to the ORD/APB; resolved during the ORD/APB review meeting; returned to the originator with supporting rationale for non-inclusion in the ORD/APB; or included in an update to the ORD/APB. The developing/acquiring PM documents and distributes the results of the ORD/APB review, with a copy of the approved ORD/APB, to all coordinating elements. When major issues remain unresolved, the affected organization may seek resolution via the Integrated Product Team (IPT) process, which enables progressive escalation of issues for resolution--from working-level IPTs; to the Integrating IPT; to the Overarching IPT, which may elevate the issue to the Acquisition Review Board (ARB).

(4) The ORD/APB is refined and updated for the MDA's approval at each Major Decision Point to incorporate results of the activities during the preceding acquisition phase (i.e., cost, schedule, and performance trades, testing, etc.) and following a program restructure (i.e., as threats change, whenever the concept of operations or intelligence requirements change, or an unrecoverable program deviation). A minimum of three weeks will be allowed for ORD/APB updates (six weeks for DCP-funded programs). ORD/APB updates will be coordinated, validated, and approved in the same manner as the original ORD/APB.

b. Preparation:

The ORD/APB is prepared for the MDA's approval beginning at program initiation (usually Major Decision Point I). The requirement sponsor, together with the user, support, and acquiring organizations prepares the ORD section of the initial ORD/APB. The acquiring Program Manager (PM), in coordination with the requirement sponsor prepares the APB section of the ORD/APB. The appendix to this Annex prescribes the format and contents of an ORD/APB.

c. Validation and Approval:

(1) The appropriate operational authority (other than the user) is responsible for validating and approving the ORD. The MDA is responsible for approving the APB. The MDA's approval of the combined document confirms that the ORD has been properly validated and approved.

(2) Major External Programs: The ORD/APB is prepared, coordinated internally (with user involvement), and forwarded to DA/P&P for the NSA SAE's review, which may include an Acquisition Review Board review. After review, the ORD/APB is forwarded to the ASD (C3I), NSA's point of entry for validation and approval. ASD (C3I) may seek the JROC's advice and action in the validation process. Following JROC coordination and review, the JROC Chairman will forward a recommendation, including a list of key performance parameters (KPPs) to the ASD (C3I) for consideration during the IT OIPT Review. See Figure F-1

(3) Major Internal, Special Interest and Other Programs. See Figure F-1.

ORD/APB PROCESSING RESPONSIBILITIES

Category	**ORD/APB Preparation**	**ORD Pre-validation**	**ORD Validation & Approval**	**APB & ORD/APB Approval**
Major 30M + per year, 120M + total program or 360M + LCC 135M + R&D or 640M + Procurement	ORD-User or Sponsor APB-Developing/ Acquiring PM	DDO for SIGINT and/or DDI for INFOSEC or Designee. For Major External, DIRNSA also pre-validates.	Major External - ASD(C3I), Major Internal - DIRNSA	Major External - ASD(C3I), Major Internal - SAE
Special Interest	ORD-User or Sponsor APB-Developing/ Acquiring PM	Not Required	DDO for SIGINT and/or DDI for INFOSEC or Designee	NSA SAE
Other	ORD-User or Sponsor APB-Developing/ Acquiring PM	Not Required	DDO for SIGINT and/or DDI for INFOSEC or Designee	NSA SAE

Figure E - 1

3. Special Provisions:

a. Command, Control, Communications, Computers, and Intelligence (C4I) ORD/APBs: Validation of ORD/APBs for acquisition programs which will interface with a non-NSA-unique C4I system must include a Joint Chiefs of Staff (JCS)/J-6 certification of C4I interoperability considerations. (The J-6 is the Director for C4I Systems within the JCS.) Upon completion of internal coordination, these ORD/APBs will be forwarded to DA/P&P for review by the NSA SAE and/or the ARB, and subsequently, ASD (C3I). ASD (C3I) is NSA's point of entry for this review. Validated C4I ORD/APBs will be

forwarded to the appropriate approval authority for action. The C4I Support Plan (see Annex G) is a required attachment to the ORD/APB.

b. ASD (C3I) - or JCS - validated ORD/APBs: Proposed changes to key performance parameters (KPPs) for these ORD/APBs may not be made without prior review by these organizations.

c. Defense Cryptologic program (DCP) ORD/APBs: The ORD and the APB will be prepared as separate documents for DCP initiatives or according to Service acquisition management procedures.

(1) DCP ORDs and APBs will be submitted by the sponsoring organization under Key Component signature for NSA initiatives or appropriate Service level signature for Service initiatives. DCP Service documents will be coordinated within NSA by DA/P&P. DA/P&P is also the focal point for external coordination of NSA-sponsored DCP documents.

(2) (U) NSA comments on Service DCP ORDs and APBs will be forwarded to NTIO for consolidation and subsequent DA/P&P transmission to the appropriate Service for consideration. Generally, comments will address interoperability between existing and future Service tactical SIGINT systems, connectivity between tactical and national systems, applicable technology that may satisfy the requirement, and possible duplication of ongoing effort. Similarly, Service comments on NSA-originated DCP initiatives will be forwarded by DA/P&P to NTIO for compilation and sent to the appropriate NSA sponsor for consideration.

(3) A coordinated and approved APB is required for execution of DCP funds.

d. Evaluation of Requirements Based on Commercial Market Potential: Researching the potential for the commercial marketplace to meet system performance requirements is an essential element of building a sound set of requirements. In developing system performance requirements, ORD/APB preparers shall evaluate how the desired performance requirements could reasonably be modified to facilitate the use of potential commercial items, components, specifications, standards, processes, technology, and sources. The results of the evaluation shall be included in the ORD section of the initial ORD/APB (10 USC 2377; (Division E of the Clinger-Cohen Act Section 5122 and 5201).

OPERATIONAL REQUIREMENTS DOCUMENT (ORD)/

ACQUISITION PROGRAM BASELINE (APB) FORMAT

ORD/APBs for all acquisition categories shall be uniform in accordance with the following format. The first page of the ORD/APB shall be a signature page, and it shall identify the date of the document; the initiative title; the acquisition phase the document covers; the DA/P&P-assigned NSA 5000R number; and the dated signatures and titles of the preparer, the validation authority, and the approval authority.

OPERATIONAL REQUIREMENTS DOCUMENT (ORD)/
ACQUISITION PROGRAM BASELINE (APB)
FOR
PROGRAM TITLE

SECTION I - OPERATIONAL REQUIREMENTS DOCUMENT

1. General Description of Operational Capability. Describe the overall mission area, the type of system proposed, and the anticipated operational and support concepts in sufficient detail for program and logistics support planning. Include a brief summary of the mission need. If a documented mission need did not precede the ORD, explain the process that investigated alternatives for satisfying the mission need and developing operational requirements.

2. Threat. Summarize the threat to be countered and the projected threat environment. This threat information shall reference Defense Intelligence Agency or Service Technical Intelligence Center-approved documents and be validated by the Service Intelligence Director. For major defense acquisition programs, reference the Defense Intelligence Agency (DIA)-validated threat assessment. In some AIS systems, the threat may be listed as not applicable.

3. Shortcomings of Existing Systems. Describe why existing systems cannot meet current or projected requirements (do not describe a proposed system).

4. Capabilities Required. Identify operational performance parameters (capabilities and characteristics) required. Articulate requirements in operational, output-oriented, and measurable terms. Specify each performance parameter in terms of a minimum acceptable value (threshold) required to satisfy the mission need. Objectives, if stated, shall represent a measurable, beneficial increase in capability or operations and support above the threshold.

a. System Performance. Describe mission scenarios (wartime and peacetime, if different) in terms of mission profiles, employment tactics, countermeasures, and environmental conditions. Identify system performance parameters such as accuracy, speed, reliability, etc. Recommend which parameters shall be considered key performance parameters.

b. Logistics and Readiness. Include measures for mission—capable rate, operational availability, frequency and duration of preventive or scheduled maintenance actions, etc. Describe in terms of mission requirements. Identify support requirements including repair capability, mobility requirements, expected maintenance levels, and surge and mobilization objectives and capabilities.

c. Other System Characteristics. A special category of characteristics that tend to be design, cost and risk drivers. Identify communications, information, and physical and operational security needs.

5. Program Support. Establish support objectives for initial and full operational capability. Discuss interfacing systems (at the system/subsystem, platform, and force levels), specifically those related to command, control, communications, computers, and intelligence (C4I), transportation and basing, and standardization and interoperability. Identify companion ORDs that may have similar requirements. Assign a joint potential designator (joint, joint interest, or independent) consistent with paragraph 6 of the Mission Need Statement.

a. Maintenance Planning. Identify maintenance tasks to be accomplished and time phasing for all levels of maintenance. Describe the envisioned planning approach for contract versus organic repair.

b. Support Equipment. Define the standard support equipment to be used by the system. Describe the test and fault isolation capabilities desired of automatic test equipment at all levels, expressed in terms of realistic and affordable probabilities and confidence levels.

c. Human Systems Integration (HSI). Address HSI domains to include: Establish broad manpower constraints for operators, maintainers, and support personnel. Identify requirements for manpower factors that impact system design (utilization rates, maintenance ratios). Establish broad cognitive, physical, and sensory requirements for the operators, maintainers, or support personnel that contribute to, or constrain, total system performance. Establish requirements for human performance that will achieve effective human-system interfaces. Broadly describe the training concept to include requirements for training devices, embedded training, and training logistics. Include safety or health and critical errors that reduce job performance or system effectiveness given the operational environment. Determine objectives and thresholds for the above requirements, as appropriate.

d. Computer Resources. Identify computer resource constraints (examples include language, computer, database, architecture, or interoperability constraints). Address all mission critical and support computer resources, including automated test equipment. Describe the capabilities desired for integrated computer resources support. Identify any unique user interface requirements, documentation needs, and special software certifications. Specify the desired level(s) of openness for the system, subsystems, and/or components.

e. Other Logistics Considerations. Describe the provisioning strategy for the system. Specify any unique facility, shelter or environmental compliance requirements. Identify special packaging, handling, and transportation considerations. Define unique data requirements such as engineering data for depot support and technical orders for the system and depot.

f. Command. Control. Communications Computers and Intelligence. Describe how the system will be integrated into the command, control, communications, computers and intelligence architecture that is forecast to exist at the time the system will be fielded. Include data and data fusion requirements (data, voice, video), computer network support, and antijam requirements. Identify unique intelligence information requirements, including intelligence interfaces, communications, and database support pertaining to target and mission planning activities, threat data, etc.

g. Transportation and Facilitation. Describe how the system will be moved to its operational environment and identify any constraints. Detail site requirements and facilities needed for training. Identify the standard and unique weather, oceanographic, and astrogeophysical support required. Include data accuracy and forecast requirements.

h. Standardization. Interoperability. and Commonality. Describe considerations for joint use. Identify procedural and technical interfaces, and communications, protocols, and standards required to be incorporated to ensure compatibility and interoperability with other Service/DoD Component, joint Service/DoD Component, and/or Allied systems, e.g., per DoD Directive 8000.1, the Defense Information Infrastructure Common Operating Environment (DII COE), the Joint Technical Architecture (JTA), and the Unified Cryptologic Architecture (UCA).

i. Mapping. Charting. and Geodesy Support. Identify cartographic materials, digital topographic data, and geodetic data needed for system employment. Where possible, National Imagery and Mapping Agency standard military data shall be used.

j. Environmental Support. The PM shall ensure that the system can be tested, operated, maintained, and disposed of in compliance with environmental regulations and the requirements as specified in Section III, 4.u., Environmental, Safety, and Health, of this Circular.

6. Force Structure. Estimate the number of systems or subsystems needed, including spares and training units. Identify units or platforms and quantities of these platforms (including other Services' or Government agencies' if appropriate) that will employ the systems or subsystems being developed and procured to satisfy this Operational Requirements Document.

7. Schedule Considerations. Define what actions, when complete, will constitute attainment of Initial and Full Operational Capability (leave flexible for these to be revised as the program is progressively defined and trade-off studies are completed). Clearly specify the operational capability or level of performance necessary to declare Initial and Full Operational Capability in terms of objectives and thresholds. Include the number of operational systems, operational and support personnel, facilities, and organizational, intermediate, and depot support elements that must be in place. If availability in a specific timeframe is important, specify an objective for initial operational capability. Describe the impact if this objective is not achieved and identify a window of acceptability if appropriate.

SECTION II - ACQUISITION PROGRAM BASELINE

8. APB Content. Every acquisition program shall establish an APB to document the key cost, schedule, and performance objectives and thresholds of that program beginning at program initiation (Major Decision Point I); the Life-Cycle Cost Estimate (LCCE) to include cost as an independent variable (CAIV) objectives; the acquisition strategy to be pursued; the test and evaluation plan; the acquisition logistics support requirements summary; and the risk management plan. The Acquisition Logistics Support Plan (ALSP) developed in accordance with NSA Circular 80-7 may be included as an annex to the ORD/APB or may be incorporated into the ORD/APB format immediately following the TEMP section. All of these activities require user involvement.

9. Key Cost. Schedule, and Performance Parameters (KPPs). The APB shall contain only the most important cost, schedule, and performance parameters as determined by the user(s). Thresholds and objectives shall be assigned to each parameter. The most important parameters are those that, if the thresholds are not met, can be cause for the concept, design approach, or system selection to be re-evaluated or the program to be reassessed or terminated. The total number of cost, schedule, and performance parameters in the APB shall be limited as described below. The values of the parameters shall represent the program as it is expected to be produced or deployed. A sample for displaying the program's KPPs is attached as a guide. Narratives to explain the information in the display or to provide supporting information should be included in this section of the APB. Reporting of current estimates for Major External program APB parameters is required in the MAIS Quarterly Report to the MDA.

a. Cost. The requirement shall be refined at successive major decision points, as a consequence of cost as an independent variable (CAIV)-based cost-schedule-performance trade-offs during each phase of the acquisition process. The cost parameters shall be limited to Research, Development, Test and Evaluation (RDT&E) costs; procurement costs; military construction costs; the costs of acquisition items procured with operations and maintenance funds, if applicable; total quantity (to include both fully configured development and production units); average unit procurement cost (defined as the total procurement cost divided by total procurement quantity); program acquisition unit cost (defined as the total of all acquisition related appropriations divided by the total quantity of fully configured end items); and any other cost objectives designated by the MDA, (e.g., life-cycle cost objective; see Paragraph 10 regarding the LCCE). As the program progresses through later acquisition phases, procurement costs shall be refined based on contractor actual (or return) costs from program definition and risk reduction, engineering and manufacturing development, or from initial production lots. In all cases, the cost parameters shall reflect the total program and be realistic cost estimates, based on a careful assessment of risks and realistic appraisals of the level of costs most likely to be realized. The amount budgeted shall not exceed the total cost threshold estimated in the APB.

b. Schedule. The schedule parameters shall include program initiation, major decision points, initial operating capability, final operating capability, and any other critical system events. These specific other critical events shall be proposed by the PM and approved by the MDA for each program.

c. Performance. The specificity and number of performance parameters evolve as the program is better defined. At Major Decision Point I, performance parameters shall be defined in broad terms. Measures of effectiveness or measures of performance shall be

used in describing needed capabilities early in a program. More specific program parameters shall be added as necessary to the APB as the program requirements become better defined. The total number of performance parameters shall be the minimum number needed to characterize the major drivers of operational effectiveness and suitability, schedule, technical progress, and cost. This minimum number shall include the key performance parameters described in the ORD. The value of an objective or threshold in the APB shall not differ from the value for a like objective or threshold in the ORD. In addition, the definitions for like parameters in the APB and ORD shall be consistent. These performance parameters may not completely define operational effectiveness or suitability. Therefore, the MDA may add additional performance parameters, as appropriate. For AIS programs, an important performance parameter may involve economic benefit or return on investment.

10. Life-Cycle Cost Estimate. A life cycle cost estimate shall be prepared by the program office in support of program initiation (usually Major Decision Point I) and all subsequent program reviews. The estimate shall include life-cycle benefits in addition to life-cycle costs and AoA for Major programs. For Major programs, the PM shall incorporate the AoAs into the cost/benefit element structure and process.

The life cycle cost estimates shall be:

a. Explicitly based on the program objectives, operational requirements, contract specifications for the system, and, for Major programs, a life - cycle cost and benefit element structure agreed upon by the CPIPT;

b. Comprehensive in character, identifying all elements of cost that would be entailed by a decision to proceed with development, production, and operation of the system regardless of funding source or management control;

c. Neither optimistic nor pessimistic, but based on a careful assessment of risks and reflecting a realistic appraisal of the level of cost most likely to be realized. The ASD (C3I) or the NSA SAE (for Major AIS programs shall ensure that a Component cost analysis is created for Major Decision Point I and updated for Major Decision Point II. The MDA may direct an updated analysis for subsequent decision points, if conditions warrant. At Major Decision Point I, the DA/P&P may conduct a sufficiency review of the PM's life cycle cost estimate in lieu of a full analysis. The CPIPT shall establish the content for the sufficiency review.

11. Acquisition Strategy.

a. Each PM shall develop and document an acquisition strategy that includes a modeling and simulation approach with warranty considerations addressed serving as the roadmap for program execution from program initiation through post—production support. A primary goal in developing an acquisition strategy shall be to minimize the time and cost of satisfying an identified, validated need, consistent with common sense and sound business practices. The acquisition strategy shall evolve through an iterative process and become increasingly more definitive in describing the relationship of the essential elements of a program. Essential elements in this context include, but are not limited to, sources, use of competition, risk management, cost as an independent variable, contract approach, management approach, environmental considerations, modeling and simulation approach warranty considerations, and source of support (see NSA Circular 62-2). The PM, supported by the ESH OPI, shall identify the following: the impacts of

the system on the environment during its life (including disposal), actions needed to prevent or control the impacts, the types and amounts of pollution that will be released into the environment, and other information needed to identify ESH risks associated with using the new system.

The PM shall also address other major initiatives that are critical to the success of the program and promote sufficient program stability to encourage industry to invest, plan and bear risks. Programs shall minimize the need for new defense-unique industrial capabilities. It is NSA/CSS 5000R policy to retain organic core depot maintenance capability to meet essential wartime surge demands, and sustain institutional expertise. Support concepts for new and modified systems shall maximize the use of the Consolidated SIGINT Support Activity (CSSA) for Fielded systems and the NSA/J5 for NSAW/CAMPUS projects to provide long-term, total life-cycle logistics support that combines depot-level maintenance along with wholesale and selected retail materiel management functions. Life-cycle costs and use of existing capabilities, particularly while the system is in production, shall play a key role in the overall process. Other than stated above, and with an appropriate wavier, contractors may be used as substitutes for the CSSA and NSA to provided logistics support, such as when the government deems it not cost prohibited to perform support, or where there is a clear, well-documented cost advantage. Government Property in the Possession of Contractors (GPPC) shall be closely tracked by the PM.

The PM shall provide for long-term access to data required for systems support. The waiver to use contractors must be approved in conjunction with the Major Decision Authority and NSA/J5. Major Program Managers shall have established life cycle cost objectives for the program through consideration of projected out-year resources, recent unit costs, parametric estimates, mission effectiveness analysis and trades, accident attrition trade studies, technology trends, and other relevant considerations such as commercial versus DoD specifications and the open systems strategy and design. A complete set of life cycle cost objectives shall include RDT&E, production, MILCON, operating and support, and disposal costs. At each major decision point review, cost objectives and progress towards achieving them shall be reassessed.

b. The acquisition strategy shall include the critical events that shall govern the management of the program. The event-driven acquisition strategy shall explicitly link program decisions to demonstrated accomplishments in development, testing, initial production, and life-cycle support. The events set forth in contracts shall support the appropriate exit criteria for the phase, or intermediate development events, established for the acquisition strategy.

Note: Continuous Acquisition and Life-Cycle Support (CALS) (Digital Data) Beginning in FY97, all new contracts shall require on-line access to, or delivery of, their programmatic and technical data in digital form, unless analysis shows that life-cycle time or life-cycle costs would be increased by doing so. Preference shall be given to on-line access to contractor developed data through contractor information services rather than data delivery. No on-going contract, including negotiated or priced options, shall be re-negotiated solely to require the use of digital data, unless analysis shows that life-cycle costs would be reduced.

c. The acquisition strategy shall be tailored to meet the specific needs of individual programs, including consideration of incremental (block) development and fielding strategies. The benefits and risks associated with reducing lead-time through

concurrency shall be specifically addressed in tailoring the acquisition strategy. In tailoring an acquisition strategy, the PM shall address the management requirements imposed on the contractor(s).

d. The PM shall initially develop the acquisition strategy for the MDA's approval at program initiation (usually Major Decision Point I), and shall keep the strategy current by updating it whenever there is a change to the approved acquisition strategy or as the system approach and program elements are better defined. The PM shall develop the acquisition strategy in coordination with the Business Strategy Meeting working-level integrated product team (BSM WIPT). The MDA shall approve the acquisition strategy prior to release of the formal solicitation. This approval shall usually precede the major decision point review, except at program initiation when the strategy shall usually be approved as part of the initial major decision point review.

12. Test and Evaluation Master Plan (TEMP).

a. The TEMP shall be prepared in accordance with NSA/CSS Circular 80-17 and may be shown as an annex to the ORD/APB in lieu of this section. The TEMP provides a road map for integrated simulation, test, and evaluation plans, schedules, and resource requirements necessary to accomplish the test and evaluation program.

b. The TEMP shall focus on the overall structure, major elements, and objectives of the test and evaluation program that is consistent with the acquisition strategy. It should include sufficient detail to ensure the timely availability of both existing and planned test resources required to support the test and evaluation program.

c. Test and evaluation programs shall be structured to integrate all developmental test and evaluation (DT&E), operational acceptance test and evaluation (OAT&E), and modeling and simulation activities conducted by different agencies as an efficient continuum. All such activities shall be part of a strategy to provide information regarding risk and risk mitigation, to provide empirical data to validate models and simulations, to permit an assessment of the attainment of technical performance specifications and system maturity, and to determine whether systems are operationally effective, suitable, and survivable for intended use.

d. . Test and evaluation objectives for each phase of a Major program shall be designed to allow assessment of system performance appropriate to each phase and major decision point. Operational test and evaluation does not include an operational assessment based exclusively on computer modeling, simulation, or an analysis of system requirements, engineering proposals, design specification, or any other information contained in program documents.

e. Modeling and simulation shall be integral to the test and evaluation program. The Simulation, Test and Evaluation Process (STEP) is used as a means to increase the focus in the TEMP on developing and documenting a robust and comprehensive evaluation strategy, using both simulation and test resources. In order for this process to be fully realized, the program office shall work with the T&E community in developing this evaluation strategy. The program shall identify and fund STEP resources early, while considering credibility and cost. In order to best allocate assets to the most appropriate issues.

13. Acquisition Logistics Support Requirements (ALSR) Summary.

a. ALSR requirements shall be determined for each program by the ALM through the IPT structure as specified in NSA/CSS Circular 80-7. The ALSR focuses on identifying the most cost effective approach to provide optimum life-cycle support in a consistent and timely manner.

b. The ALSR Summary documents the acquisition logistics deliverables and decisions agreed to at the ALSR Conference and will be a permanent part of the APB. The Summary will include, but not be limited to, requirements for technical documentation, training, software, and spares. It will also include environmental assessment, configuration management, equipment disposition, and on-site and off-site support considerations. The ALSR Summary also documents the agreement of the acquisition activity to develop and/or acquire the specified items necessary to ensure operation and sustainment for the life of the program.

14. Risk Management Plan.

a. The PM shall establish a risk management program for each acquisition program to identify and control performance, cost, and schedule risks. The risk management program shall identify and track risk drivers, define risk abatement plans, and provide for continuous risk assessment throughout each acquisition phase to determine how risks have changed. The risk management effort shall address the identification and evaluation of potential sources of technical risks based on the technology being used and its related design, manufacturing, test and support processes, risk mitigation efforts, and risk assessment and analysis. Technology transition planning and criteria shall be established as part of the overall risk management effort. The risk management plan should include consideration of performance, cost, and schedule risks associated with integrating, testing, and installing at field sites, if applicable.

b. Risk reduction measures shall be included in cost-performance tradeoffs, where applicable. The risk management program shall plan for back-ups in risk areas and identify design requirements where performance increase is small relative to cost, schedule, and performance risk. The acquisition strategy shall include identification of the risk areas of the program and a discussion of how the PM intends to manage those risks. The risk management process shall also address the identification and evaluation of potential risks based on restrictive aspects of the design that limit sources for subsystems or components.

c. The program protection planning process shall incorporate risk management and threat-based countermeasures to provide cost-effective protection. When appropriately applied, the process will meet requirements of information assurance, defensive information warfare, classification management, TEMPEST, physical security, personnel security, operations security, international security, technology transfer, and special access programs. Use of a software measurement process in planning and tracking the software program, to assess and improve the software development process and associated software products, and ensure that information operations (vs. information warfare) risks have been assessed.

S A M P L E

ACQUISITION PROGRAM BASELINE
Key Performance Parameters

REQUIREMENT REFERENCE: Operational Requirements Document

Major Decision Point I		Major Decision Point II	Major Decision Point III
Concept		Development	Production
Baseline	Change 1	Baseline	Baseline
Date	*Date*	*Date*	*Date*
Objective/Threshold	Objective/ Threshold	Objective/ Threshold	Objective/ Threshold

A. PERFORMANCE

Supportability Requirements
Survivability Requirements
Reliability Requirements
Availability Requirements
ESH Requirements
Security Requirements

B. SCHEDULE

ALSR Conference
EMD BSM
EMD RFP Release
EMD Contract Award
SDR
PDR
DT&E
First Article
LRIP
CDR
Level III Drawings
Production BSM
Production RFP Release
Production Contract Award
Deployment
IOAT&E
FOC

C. COST (Specify by FY)

RDT&E
Procurement
MILCON
Acquisition O&M
Total Acquisition Cost
Operations & Support
Total Life-Cycle Cost

Avg. Procurement Unit
Quantities (Inf. Only)
Total RDT&E
Total Procurement

NOTE: Cost, schedule, and performance parameters shown are illustrative only. KPPs are those parameters determined by the program manager to be so significant that failure to meet the threshold is cause for re-evaluation, reassessment, or termination of the program. Thresholds and objectives are specified for each parameter, e.g., by date, percentage, number, etc., and are displayed under the relevant baseline(s). Once defined, a parameter's value is assumed not to change as the program progresses unless a different value is later displayed. Baseline parameters, their values, and changes thereto are all displayed for information.

ANNEX F

RAPID TECHNOLOGY MANAGEMENT PLAN (RTMP)

1. Purpose. A Rapid Technology Management Plan (RTMP) is prepared by the PM, with the user, in cases where normal, previously defined NSA 5000 documentation would not apply. Some examples: large-scale equipment acquisitions which do not precisely fit the "systems" definition (e.g., standard products purchases), Advanced Technology Center development (ATC), Advanced Concept Technology Demonstrations (ACTDs), Advanced Technology Demonstrations (ATDs), reinvention labs, QRC projects, etc. The RTMP describes an overall program architecture, management structure, management approach, and support arrangements. Normally the RTMP would be the only NSA 5000 document required therefore, it combines in a shortened format, information from several documents. Because the RTMP is an exception document, its use will be governed by the tailoring provisions of NSA 5000 (see Annex M).

2. Procedures. The RTMP will follow the outline in the attached. The depth of planning and content of the RTMP should be appropriately tailored to and commensurate with the scope and complexity of the program it addresses.

a. The RTMP will describe mechanisms and reporting vehicles that will ensure acquisitions meet the financial, technical, support, and schedule requirements of the program. The tasked organization, with participation of other involved elements, will prepare the RTMP and distribute it for coordination.

b. A minimum of three weeks will be allowed for coordination. The final RTMP, under signature of the SAE or designee will be forwarded, with coordination comments, to DA/P&P.

c. Command. Control. Communications. Computers. and Intelligence (C4I): Acquisition programs which will interface with a unique C4I system must include a Joint Chiefs of Staff (JCS)/J-6 certification of C4I interoperability considerations. (The J-6 is the Director for C4 Systems within the JCS.) The RTMP, being a unique document and not one recognized by DoD, will not be used for programs which will interface with a non-NSA-unique C4I system. The normal set of documentation will instead be required (e.g., MNS, ORD/APB, C4ISP, etc.).

3. Updates

a. RTMP updates will be prepared to reflect significant changes and/or unplanned current year expenditures or purchases. Updates facilitate the processing of PRs and are

important in keeping affected elements and other appropriate organizations informed of major changes to the acquisition program.

b. If subsequent to RTMP approval, the estimated cost to complete exceeds or is expected to exceed approved cost thresholds, or if approved schedules, performance, or scope cannot be met and the operational capability will be substantially degraded or delayed, the acquisition program may be subject to DA/P&P review. These deviations from the approved RTMP will be documented in a RTMP update and approved by the MDA. RTMP deviations may trigger the Program Deviation Reporting Process (PDRP) (see Annex J).

c. When the funding profile and/or the cost narrative stated in the original planning document or a subsequent update do not reflect planned execution year expenditures or purchases, an update to the RTMP is required by 1 August of the fiscal year preceding the execution of funds (i.e., an RTMP update is required by 1 Aug 97 in order to spend money on 1 Oct 97). The funding profile and cost narrative will be displayed by fiscal year and appropriation.

d. Updates will be consecutively numbered (i.e., RTMP Update No. 1) and coordinated with the Sponsor and the affected elements. Distribution is made to all original holders of the document.

e. The first paragraph of the Update should explain why the update is being issued (e.g., cost, schedule, or performance change, current year expenditures/purchases, etc.) and ramifications, if any. Update only those sections of the document that will be affected.

RAPID TECHNOLOGY MANAGEMENT PLAN (RTMP)

FORMAT

1. Identification: The first page of the RTMP shall be a signature page, and it shall identify the date of the document, the initiative title; the acquisition phase the document covers; the DA/P&P-assigned NSA 5000 number; and the dated signatures and titles of the preparer, the validation authority, and the approval authority.

2. Program Description: Provide a brief narrative describing the program and its expected results, an explanation of why funding is required and include the following information on requirements (if not previously covered in a validated and approved MNS).

This section should also describe additional requirements. At a minimum, operations security (critical information, threat, and duration), computer security (mode of operation), telecommunications (external and internal), interfaces, EMI/EMC and space must be considered and addressed. If no additional requirements exists, state "None."

a. Operational Objective: Identify the purpose of the initiative, why it is required, what it will achieve, and the intelligence benefit expected. Show the relationship of the requirement with the goals of the NSA/CSS Cryptologic Strategy. Identify specific intelligence requirements (not NSRL numbers) in substantive terms and describe the incremental value, relating it to approved NSA plans, community study group recommendations.

b. Concept of Operation (CONOP) and System/Target Environment: Describe how the program will be used in its operational environment to satisfy the mission need. State the system functions and the flow of work through the proposed program from the user's point of view. Include interfaces with other systems and man-machine interactions. The CONOP defines the target environment(s) in which the program will be used (e.g., brief scenario detailing activity, users and platforms, signal characteristics, type of traffic) and expected system usage. It should identify current or proposed programs or actions relating to the requirement.

c. Critical Physical/Performance Specifications: This is a key section of the RTMP. Program design will be based primarily on these specifications. Quantify the characteristics and performance capabilities needed to satisfy the requirement. Include key, measurable attributes that determine how well operational objectives are met and which, if not met or if exceeded, would seriously affect the decision to proceed. Examples are program useful life, size, weight, cost, availability, required bandwidth, garble rates, traffic volume, manning, reliability, data rates, and response times. When a

requirement exists for on-line access to program performance and customer utilization information, include the specific Measures of Effectiveness. Program specifications should be expressed in two levels for each measurable attribute (Minimum Acceptable and Performance Objective). Minimum Acceptable is the minimum value for a performance parameter which is necessary to provide an operational capability that will satisfy the user's requirement (program termination should be considered for levels below the minimum values). Performance Objective is a value beyond the minimum acceptable requirement that could potentially have a measurable, beneficial impact on capability or operations and support. The sponsor will provide a set of core requirements when the total functional capability cannot be specified in advance (i.e., when the method of development is evolutionary acquisition strategy).

3. Architecture: Provide a conceptual overview that depicts how the components of the program (developmental efforts, equipment acquisitions, site upgrades, etc.) interrelate and interact to produce the expected results and show where the equipment will be deployed.

4. Management Strategy/Acquisition Strategy: Describe the management structure and approach to be used in the development or acquisition effort. Include the acquisition strategy (in-house/contract development, use of support contracts, prototyping, incremental or evolutionary acquisition, etc.).

5. Organizational Responsibilities: List all principal internal and external organizations with a one-line statement of responsibility for each.

6. Funding Profile:

INVCAT_____

Data Source_____

FY___ FY___ FY___ FY___ FY___ FY___

Line Items:

R&D
PROCUREMENT
MILCON
O&M
TOTAL

7. Cost Narrative (For large-scale equipment acquisitions). Describe by fiscal year and by appropriation (FY: R&D/PROC/O&M/MILCON) the expected use of funds and the resulting deliverables.

8. Support: Describe the structure and approach required to prepare the Program/Project for operational use and identify life cycle support requirements.

9. Schedule: List major schedule events with completion dates or projected completion dates. Suggested milestones: ALSR Conference, PD, Commit on PR, RFP, Contract Award, PDR, SCR I, CDR, TEMP II, DT&E, Deployment (NSAW, field sites, others), OAT&E, IOC, and others, as appropriate.

10. Reporting: Describe any method of program reporting, including report recipients and frequency of reports.

11. Next Action(s): Propose next action(s) and give rationale for selection. Refer issues regarding the determination of the next action to SAE/P&P.

ANNEX G

COMMAND, CONTROL, COMMUNICATIONS, COMPUTERS, AND INTELLIGENCE (C4I) SUPPORT PLAN (C4ISP)

1. Purpose:

A C4ISP shall be prepared for all NSA/CSS systems/programs that will interface with non-NSA-unique C4I systems. The C4ISP shall include a system description, employment concept, operational support requirements (including C4I, testing, and training), interoperability and connectivity characteristics, management, and scheduling concerns.

2. Procedure:

a. The C4ISP shall be an attachment to MNSs and/or ORD/APBs prepared in support of non-NSA-unique C4I acquisition programs developed or managed by NSA/CSS.

b. C4I requirements and the C4ISP shall be reviewed and updated, as necessary, at every major decision point and whenever the concept of operations or intelligence requirements change. The C4ISP must be coordinated, validated, and approved as an attachment to MNSs and/or ORD/APBs in accordance with the coordination, validation, and approval procedures for those documents. Upon approval, the documentation shall be forwarded to DA/P&P for transmission to ASD (C3I) (Intelligence & Security). ASD (C3I) is NSA/CSS's point of entry for Joint Chiefs of Staff (JCS evaluation of compatibility, interoperability, integration, and intelligence support for targeting requirements for all weapons systems/programs.

COMMAND, CONTROL, COMMUNICATIONS. COMPUTERS. AND INTELLIGENCE (C4I) SUPPORT PLAN (C4ISP) FORMAT

1. Introduction. High level system description and discussion of C4ISP contents, including a directory to help the reader locate information (e.g., a table of contents). Consider listing all documents (ORD/APBs, contractor studies, other C4I Support Plans, etc.) used in the preparation of the support plan.

2. System Description. Detailed overview of the system, including all characteristics that are considered to be relevant to C4I support. Where a command and control system is involved, this description should consider such items as system function, bandwidth requirements, interfaces with other C4I systems, etc. Describe how the system will be employed and how the C4I architecture should work to satisfy the operational requirements. Problem areas may, as necessary, be identified to highlight shortfalls in the required support. Shortfalls are identified to ensure that the combined development, acquisition, and operational communities will be aware of the problems and the steps being taken to resolve them.

3. Operational Employment. This section should set the stage for defining support requirements by first defining the employment concept for the weapon or system.

a. Operational Employment Concept.

(1) Roles and Missions. Defining the system's roles and missions is the first step of this process. In the case of a command and control system, appropriate roles and missions would similarly be described, including high level operational concepts, operational architectures (including interfaces and information exchanges), etc.

(2) Mission Type. The final step of the employment concept definition is to identify and describe the system's distinct mission types. This will vary widely depending on the type of system. In the case of a command and control system, this step may include identification and prioritization of functions, description of functions considered critical to specific missions, and corresponding C4I requirements for each distinct mission type.

b. Employment Rate/Employment Requirements. C4I infrastructure requirements cannot be defined until planners first define the likely number of target classes and mission types and the C4I requirements associated with each. This information is then tied together with the employment rate to determine system operational C4I requirements. Thus, this section should provide a framework in which the likely number of targets, distribution of missions, and employment rate are postulated. Although it is clear that no planning figures are absolute defense plans and command interviews should provide general guidance.

(1) Employment Rate. Describe the likely employment rate for the system. For the command and control system example, consider the likely volume of information to be sent, received, and processed as well as other similar factors related to operations tempo.

(2) Operational Architecture. This section should identify all C4I infrastructure required for successful mission accomplishment. For the example of a command and control system, describe the planned information/data, source(s), and estimated volume of data for each specific mission.

4. Derived C4I Support Requirements.

a. Operational Employment Requirements. Couple each employment scheme (3.2.2 above) with the corresponding employment rate (3.b. (1) above) to quantify the requirement placed on C4I support systems. This discussion should examine the full range of C4I support systems and data requirements, including delivery platforms, intelligence collection assets, intelligence exploitation assets, the communications infrastructure, and support staffs. This section should serve as a framework to measure the qualitative and quantitative adequacy of supporting systems. This section should also assist planners in effecting coordination with support system managers.

b. C4I Support to Testing. This section should diagram the plan to support the system's developmental and operational test and evaluation. This discussion should identify all C4I infrastructure necessary for realistic test and evaluation. If the testing scheme proposes simulating one or more support systems, identify related performance parameters.

c. C4I Support to Training. This section should identify all C4I infrastructure required to support training activities.

5. Potential C4I Support Shortfalls and Proposed Solutions.

a. Operational Employment Shortfalls. Identify potential shortfalls noted in the operation employment scheme. Particular attention should focus on proposed support system inability to meet quantitative or qualitative requirements. Furthermore, potential conflicting demands for system support should be noted. Recommend solutions when possible.

b. Testing Support Shortfalls. Identify potential shortfalls noted in the proposed testing and evaluation scheme. Particular attention should focus on potential discontinuities between the testing plan and support system availability. Recommend solutions when possible.

c. Training Support Shortfalls. Identify potential shortfalls noted in the proposed training schemes for both operational
employment and system test. Recommend solutions when possible.

6. Appendix. This section may be used for supporting detail. When a change to an existing or programmed C4I capability is needed to correct a shortfall situation, a cost estimate is needed to establish the parameters on the solution and enable programming of funds to correct deficiencies. Programming of such funds reflects warfighter needs much more clearly when the funds shortfall can be associated with specific operational capabilities, as they are in the C4I support plan. Inclusion of cost estimates for such shortfalls in an appendix to the C4I support plan is appropriate.

ANNEX H

MAJOR AUTOMATED INFORMATION SYSTEM (MAIS)

QUARTERLY REPORT

1. Purpose:

MAIS quarterly reports are required by the Assistant Secretary of Defense (Command, Control, Communications, & Intelligence) (ASD (C3I)) for Major Programs on which ASD (C3I) is the MDA. The report is designed to provide senior management at NSA and C3I with program status, progress, issues, risks, and risk reducers. The report is essential to the early identification of problems and associated plans to initiate corrective actions.

2. Procedure:

a. The report shall be prepared by the Program Manager (PM) in accordance with the appendix to this Annex.

b. The PM shall submit an original and 4 copies to DA/P&P. Courtesy copies shall be provided to all parties supporting the program, to include the user and/or requirement sponsor and the appropriate Key Component acquisition focal point. The report is due to DA/P&P within 15 calendar days after the close of each quarter. For any AIS that has been canceled, is fully deployed, or declared fully operational, a final close-out report is required for the last reporting period. The initial MAIS report is due within 15 calendar days after the end of the quarter in which the AIS program is designated a major AIS.

c. The PM will forward MAIS reports to the SAE and the Acquisition Review Board for information before transmission to ASD (C3I).

MAJOR AUTOMATED INFORMATION SYSTEMS (MAIS)

QUARTERLY REPORT FORMAT

MAIS quarterly reports for Major programs on which ASD (C3I) is the MDA shall be uniform in accordance with the following format.

MAJOR AIS QUARTERLY REPORT

SYSTEM NAME

REPORTING PERIOD

I. PROGRAM INFORMATION

A. Designation/Nomenclature. Enter the program designation/nomenclature and name/acronym (if any).

B. DoD Component. Enter "NSA/CSS."

C. Responsible Office and Telephone Number. Enter the DoD Component's responsible office, address, program manager's name, and DSN and commercial telephone numbers.

D. Brief Program Description. A two or three paragraph description of how this AIS program will satisfy the mission need, and how it is linked to the NSA Strategic Plan. Identify the deficiencies in meeting the strategic goals and objectives in the NSA Strategic Plan that are being met by this program; key requirements, objectives, and goals of the program; preferred/selected solutions; and any other key elements. Indicate the goal(s) and/or objectives of the Information Technology support in terms of near and long term targeted milestones. Include a statement regarding whether the program is an approved National Security System (NSS). Additionally, provide a description of the cost and operational benefits expected along with the projected return on investment (ROI), including a description of how the ROI was determined. ROI, in this context, is equivalent to the internal rate of return. ROI analysis should be applied to the recommended alternative or solution:

(1) A positive ROI should be shown within two or three years of project start. If positive ROI requires more than three years, justify the level of confidence in predicting the future outcome.

(2) The return may include: improved mission performance in accordance with the Government Performance and Results Act (GPRA) measures; reduced costs, increased quality, speed, or flexibility; or increased customer and employee satisfaction.

(3) The return should be adjusted for such risk factors as the project's technical complexity; the agency's management capacity; the likelihood of cost overruns; and the consequences of under - or non-performance.

II. AIS PROGRAM MANAGER'S ASSESSMENT

A. Summary Assessment Matrix. In this section, the AIS program manager should provide a summary assessment of the status of each major programmatic area identified below, using the codes G (green color), Satisfactory; Y (yellow color), Marginal; or R (red color), Unsatisfactory. Use up or down arrows to indicate an improving or worsening condition within a single assessment level. While additional programmatic areas and assessments may be included, if desired, the ones identified below must be provided. The current quarter should be added on the right of the matrix and the oldest one on the left. The assessment matrix will show a total of four quarters' assessments. If a new system is being reported, much of the matrix will initially be empty for new reports until four reports have been submitted. An example of an AIS program manager assessment matrix is as follows:

MAJOR PROGRAMMATIC AREA	FY97 2nd Qtr	3rd Qtr	4th Qtr	FY98 1st Qtr
PROGRAM COST	G	G	G	G
APPROVED FUNDING	Y	Y	G	G
SCHEDULE	G	G	Y	G
REQUIREMENTS	G	G	G	G
TECHNICAL RISKS	G	G	G	G
CONTRACTS	G	G	G	G
STAFFING	G	R	R	G
TEST & EVALUATION	G	G	G	G
TRAINING	G	G	G	G
OVERALL ASSESSMENT	G	G	G	G

G: Satisfactory is the standard indicating that all is well, program is on track, within cost and schedule, has very minor problems or no problems at all.

B. Status. The AIS program manager should concisely explain all changes in his assessment from the prior quarter. All unsatisfactory assessments must specifically address corrective actions taken. If no improvement has occurred for two quarters (for either a Y or R factor), an explanation of why the situation has not changed is required. The AIS program manager should provide a statement of the overall status of the

program, to include (1) current estimates of the APB parameters and vulnerability assessments (i.e., address APB deviations) and (2) status reporting of exit criteria. Inclusion of these two data points are required by statute.

C. Concerns. Use this space to provide an explanation of any other external factors that might potentially affect the program.

III. AIS PROGRAM MANAGER CERTIFICATION

_____ _____

CERTIFIED ACCURATE Date
(must be signed by the PM or Deputy PM)

ANNEX I

INTEGRATED PRODUCT TEAM (IPT) GUIDELINES

1. Purpose:

The Secretary of Defense has directed that DoD perform as many acquisition functions as possible, including oversight and review, using IPTs. IPTs shall function in a spirit of teamwork with participants empowered and authorized, to the maximum extent possible, to make commitments for the organization or the functional area they represent. IPTs are composed of representatives from all appropriate functional disciplines working together to build successful programs and enabling decision-makers to make the right decisions at the right time.

2. Procedures:

a. IPTs operate under the following broad principles:

* Open discussions with no secrets;
* Qualified, empowered team members;
* Consistent, success-oriented, proactive participation;
* Continuous "up-the-line" communications;
* Reasoned disagreement; and
* Issues raised and resolved early.

b. There are generally two levels of IPTs: the Overarching IPT (OIPT) and the Working-Level IPT (WIPT). For each program, there will be an OIPT and at least one WIPT.

c. When IPTs include representatives from organizations other than the federal government, PMs shall comply with the Federal Advisory Committee Act (FACA). In addition, PMs shall also remember that the participation of a contractor or a prospective contractor on an IPT should be in accordance with other statutory requirements, such as procurement integrity rules. Prospective contractor involvement or representation from organizations other than the federal government shall be reviewed by the General Counsel’s office before any such involvement or representation on IPTs.

d. Once established, IPTs may meet as often as necessary to understand and build program strategies and to resolve issues or to produce a specified product. IPTs will only meet for a particular purpose at a scheduled time. They should not meet regularly or continuously in an update role. Advance notice of a meeting should be provided as soon as the date is known, but at least two weeks before the initial or kickoff meeting and at least three business days before a meeting of an ongoing IPT.

3. IPT Types:

a. OIPT:

OIPTs are formed upon learning that a program is intended to be initiated (after Phase 0, Concept Exploration). OIPTs provide assistance, oversight, and review as programs proceed through the acquisition life cycle. OIPT leaders are responsible for providing integrated assessments to MDAs, OIPT principals, and advisors at major program reviews and milestone decision reviews using information gathered through the IPT process. The leader's assessment shall focus on core acquisition management issues and shall take account of independent assessments that are normally prepared by OIPT members. These assessments will typically be accomplished in the context of the OIPT review and will be reflected in the OIPT Leader's report. The OIPT leader recommends to the MDA whether the anticipated review should go forward as planned based on this assessment. There should be no surprises, because all team members are already working the issues in real time, and they should be knowledgeable of their OIPT leader's assessment.

(1) OIPTs work hand-in-hand with decision review boards, which exist for the purpose of advising the MDA on critical decisions concerning assigned programs.

(a) Major Program on which ASD (C3I) is the MDA: See DoD 5000.2-R.

(b) Major Internal and Special Interest Programs: The Acquisition Review Board (ARB) has been established for the purpose of advising the SAE on critical decisions concerning these programs. The ARB is chaired by the SAE and is comprised of the Key Component Chiefs, the Chief, NSA Transformation Office, the General Counsel, the NSA/CSS Chief Information Officer, representatives from the Service Cryptologic Elements, and others as determined by the SAE. The ARB OIPT previews acquisition matters before presentation to the ARB (e.g., major decision points, deviation reporting). The ARB OIPT is chaired by DA and is comprised of Chiefs of Staff (or equivalent) from the Key components, SCES, NTO, NSA CIO, General Counsel, and others as determined by the ARB OIPT chair.

(c) Other Programs: Key Component and SCE commanders form Other Program acquisition review boards at their discretion (see NSA 5000, Figure 5). OIPTs will be formed to provide assistance, oversight, and review for other than Special Interest acquisition programs. These OIPTs are led by the cognizant Key Component, SCE, or Service acquisition staff and shall at a minimum include Key Component, SCE, Service, or NSA CIO staff representatives involved in oversight and review of the acquisition program under review.

(2) If requested by the PM, the OIPT may consider recommendations proposed by the IIPT (see paragraph 3.b. (1) below); the extent of WIPT support needed for the program; who shall participate on the WIPTs; the appropriate milestone for program initiation; and the minimum information needed for the program initiation review. The PM shall propose the WIPT structure, documentation, and strategy for the next acquisition phase, for approval by the MDA.

(3) At a minimum, OIPT meetings will be called when requested by the MDA, the PM, or any member of the OIPT and at least two weeks before acquisition issues are presented to the MDA. The purpose of these meetings is to support decision making by the MDA or PM, adjudicate issues presented by IPTs, resolve acquisition planning issues before the execution year, and determine whether ARB deliberation is required. Unresolved matters will be included on the ARB agenda for decision. The goal is to resolve as many issues and concerns at the lowest level possible, and to expeditiously escalate issues that need resolution at a higher level, bringing only the highest level issues to senior NSA leadership for decision.

b. Working Level IPT (WIPT).

WIPTs assist the PM in developing strategies and in program planning, establish IPT plans of action and milestones, propose tailored document and milestone requirements, review and provide early input to documents, coordinate WIPT activities with the IIPT and OIPT members, resolve or elevate issues in a timely manner, and assume responsibility to obtain principals' concurrence on issues, as well as with applicable documents or portions of documents. The following WIPTs are not all inclusive:

(1) Integrating Integrated Product Team (IIPT). The PM or his designee forms and leads the IIPT to support development of strategies for acquisition and contracts, cost estimates, evaluation of alternatives, logistics management, cost-performance trade-offs, etc. The system acquisition team or program management teams embody the principles of an IIPT. The IIPT will assist the PM in the development of a WIPT structure to propose to the OIPT. The IIPT will also coordinate the activities of the remaining WIPTs and ensure that issues not formally addressed by other WIPTs are reviewed. The leader of each WIPT will usually be the PM or the PM's representative. The Key Component focal point may co-chair IIPT meetings at the invitation of the PM.

(2) Business Strategy Meeting WIPT (BSM WIPT). The BSM WIPT is chaired by the acquisition program office, usually the PM, and will include representatives from the acquisition program's office (business manager and technical expert), Office of Contracting, and the Competition Advocate's office, and other management, requirements, and support personnel who can contribute to and/or approve the development of the acquisition/contract strategy. The BSM WIPT addresses requirements, market research, use of commercial items, qualified sources, competitive/sole source, future requirements, future competition, and contracting strategy (schedule, type of contract, use of options, and reprocurement documentation) in accordance with NSA/CSS Regulation 61-3.

(3) Test Strategy WIPT: Assists in outlining the Test and Evaluation Master Plan (TEMP) for acquisition programs; reaches agreement on the test strategy and plan by identifying and resolving issues early; and documenting a TEMP that is acceptable to all organizational levels the first time.

(4) Cost-Performance IPT (CPIPT). Required for Major automated information system programs and may be applied to other-than these programs at the SAE's discretion. The CPIPT is responsible for integrating and evaluating all cost/performance trade-off analyses conducted, facilitating cost - performance trades, and assisting in establishing program cost range objectives and thresholds. Cost objectives shall be used as a management tool. They should be communicated to industry and used, in part, for source selection and to incentivize contractors. The Cost-Performance IPT is normally led by the PM or the PM's representative and includes, at a minimum, the user or user's representative. The CPIPT recommends to the PM performance or engineering and design changes as long as the threshold values in the Operational Requirements Document (ORD) and the Acquisition Program Baseline (APB) can be achieved. If the changes require ORD/APB threshold value changes, the leader of the CPIPT shall notify the PM and the OIPT leader. The PM shall ensure that the proposed changes are brought before the ORD and/or APB approval authorities for decision.

(5) Security WIPT: When a program contains critical program information, a Security IPT will be formed to conduct a multi-disciplinary threat, vulnerability, and risk assessment to determine the threat against that information. These assessments provide the basis for risk management decisions and appropriate cost- effective security countermeasures to negate the threat. The Security WIPT will develop a program protection plan in accordance with DoD Directive 5200.39.

ANNEX J

PROGRAM DEVIATION REPORTING PROCESS (PDRP) PROCEDURES

1. Purpose

The PDRP is the mechanism for reporting potentially troublesome programs to the senior leadership. Its objectives are to identify potential problems, provide advance notification, and focus on affordability. It is based on the premise of management by exception.

2. Policy

a. Every acquisition program shall establish program goals for the minimum number of cost, schedule, and performance parameters that describe the program. These program goals shall be identified as objectives and thresholds. Key performance parameters (KPP's) from among these goals shall also be identified.

(1) Threshold Value: The threshold value is the minimum acceptable cost, schedule, or performance value that, in the user's judgment, is necessary to satisfy the need. If threshold values are not achieved, program performance is seriously degraded, the program may be too costly, or the program may no longer be timely.

(2) Objective Value: The objective value is that desired by the user and which the Program Manager (PM) is attempting to obtain. The objective value could represent an operationally meaningful, time critical, and cost-effective increment above the threshold for each program parameter. Program objectives (parameters and values) may be refined based on the results of preceding program phase(s). The spread between objective and threshold values shall be individually set for each program based on the characteristics of the program (e.g., maturity, risk, etc.).

(3) Key Performance Parameters (KPPs): Those cost, schedule, or performance capabilities or characteristics so significant that failure to meet the threshold can be cause for the concept or system selection to be re-evaluated or the program to be reassessed or terminated. KPPs are validated by the Milestone Decision Authority (MDA) and may not be traded off without the MDA's approval. KPPs are extracted from the Operational Requirements Document (ORD) and included in the Acquisition Program Baseline (APB).

b. The process will be triggered by changes to the program's cost, schedule, or performance threshold values and KPPs and shall be managed as follows:

(1) Between the PM and the MDA for threshold value deviations, within 90 calendar days of the occurrence of the deviation.

(2) By referral to the Key Component, SCE, or Service acquisition staff or DA/P&P (for programs costing $5M or more) for (a) threshold value deviations not resolved within 90 calendar days and (b) any KPP deviations. The NSA SAE will be notified of actual or potential problems related to cost, schedule, or performance via the Acquisition Review Board for deviations of these types affecting major and special interest programs.

3. Scope

a. This process applies to all acquisition programs covered by this Circular, except those that are in the process of termination.

b. The following actions shall be viewed as reasonable adjustments and are not reportable under this process:

(1) Increments or options to contracts, if articulated in the ORD/APB applicable to that phase of the program.

(2) Evolutionary development, when the evolutionary steps between the core system and the objective system are articulated in the ORD/APB applicable to that phase of the program.

4. Criteria

A program deviation occurs when the PM, Key Component, SCE, or Service staff, or DA/P&P have reason to believe that cost, schedule, or performance parameters are not or will not be within the baseline threshold values or KPPs defined for the program.

5. Procedure

a. When a deviation occurs, the PM shall immediately notify the MDA that a program deviation has occurred.

(1) Within 30 calendar days of the occurrence of the program deviation, the PM shall notify the MDA of the reason for the program deviation and the actions that need to be taken to bring the program back within the baseline parameters (if this information was not included with the original notification).

(2) Within 90 calendar days of the occurrence of the program deviation, one of the following must happen:

(a) the program shall be back within APB parameters;

(b) a new APB (changing only those parameters that breached or are directly affected by the breached parameters all be coordinated with all affected parties and approved by the MDA; or

(c) the PM shall have provided a date for the program to be back within APB parameters or for the submission of a new APB; and

(d) an OIPT program review shall be conducted to review the PM's proposed baseline revisions and propose recommendations to the MDA. The PM, at a minimum, shall provide a date when one of the other three actions will occur.

b. Notification will take the form of a memorandum, Subject: Program Deviation Report, addressed to the MDA (with a cc to DA/P&P). The memo shall contain the following information at a minimum:

(1) The clear text name of the project and its covername, if any.

(2) The contract number, if applicable.

(3) The affected baseline cost, schedule, and performance thresholds and objectives.

(4) The nature of the triggering event.

(5) The estimated impact of the triggering event on the program's cost, schedule, and performance goals and on the program's ability to satisfy the mission need.

(6) Other pertinent information.

(7) A recommendation to modify, suspend, or terminate all or part of the program.

c. If one of the three actions in 5.a. (2) has not occurred within 90 calendar days of the program deviation or if there is a KPP deviation, the Key Component, SCE, or Service acquisition staff or DA/P&P (for programs costing $5M or more) shall require a formal program review within 30 calendar days to determine program status.

d. The notification memo and program review will normally be initiated by DA/P&P for deviations affecting programs costing $5M or more. For acquisition programs not involving the application of Earned Value Management System (EVMS) criteria, the Key Component, SCE, or Service staff will initiate the notification action. DA/P&P System Management Officers (SMOs) and Key Component, SCE, or Service

acquisition staffs will make use of normally available sources of data to assess the status of acquisition programs. When it appears that a deviation has occurred, the SMO or staff will seek confirmation by examining planning documentation and the contract file and by contact with each other and the program manager.

e. Program reviews heard by the SAE will be accomplished via the ARB.

6. Responsibilities

a. PMs will:

(1) Establish cost, schedule, and performance objectives and thresholds for each acquisition program.

(a) If no objective is specified, the threshold value shall be the objective value.

(b) If threshold values are not otherwise specified, the threshold value for performance shall be the same as the objective value, the threshold value for schedule shall be the objective value plus three months, and the threshold value for cost shall be the objective value plus 10 percent.

(c) Cost, schedule, and performance parameters delineated in the ORD/APB and the Test & Evaluation Master Plan (TEMP) shall be consistent.

(2) Collect and analyze contractor-provided EVMS data, when available, as well as periodic progress reports, and use them to identify when trigger thresholds have been met. For those projects that do not have EVMS data, assess the impact of cost, schedule, and performance variations and identify when effective trigger thresholds have been met.

(3) Place DA/P&P on Contract Data Requirements List (CDRL) distribution for selected acquisition reports generated by the contractor, such as EVMS reports and monthly program status reports.

(4) Prepare Program Deviation Reports, when called for under the cited in paragraph 5.d. above.

b. The Senior Acquisition Executive (SAE) will:

(1) Provide independent oversight and review of acquisition programs costing $5M or more using EVMS reports, program status reports, acquisition planning documents, etc. SAE oversight and review will be accomplished via IPT.

(2) Review notification actions submitted by Key Components or by A/P&P and, with the NSA Chief Information Officer's (CIO) input for delegated Major Internal programs, decide which of the following should occur:

(a) a briefing to the Acquisition Review Board or the Director.

(b) written notification to the Acquisition Review Board or the Director with a recommendation to modify, suspend, or terminate the acquisition program.

(3) Follow-up to ensure that agreed-upon or directed actions resulting from this process are effective and are brought to completion.

ANNEX K

SENSITIVE PROJECT MANAGEMENT

1. Policy:

In cases of extreme sensitivity, security considerations may require more restricted coordination and review of NSA 5000 documentation than normally prescribed. In such cases, special handling procedures will apply.

2. Procedures:

Following selection of an initiative for management review under the provisions of this Circular and where the originating organization believes that unusual security restrictions should apply, the Key Component Chief or Service/SCE Commander shall submit such a request to DA/P&P. The request will include as a minimum:

a. A description of the proposal;

b. The reason for restricted handling;

c. A proposed list of those organizations that are considered essential to the systems acquisition process, i.e., development, support and operations; and

d. If appropriate, the feasibility of a modular or two-tiered approach to documentation and review, i.e., sanitized and unsanitized versions with highly restricted handling for the latter.

e. Upon receipt of such a request, the SAE will make a final determination of the organizations and individuals that will participate in the decision-making process. Acquisition Policy and Reform DA/P&P will specify documentation requirements. In most cases, acquisition documentation will be in accordance with the format and content prescribed. In some especially sensitive cases, the SAE will bring the requirements to the Executive Leadership Team for validation and prioritization using an abbreviated form of the MNS or ORD/APB.

f. Subsequent document coordination and senior management participation will be limited to those NSA/CSS organizations and individuals identified by the above procedures as essential to the decision making process.

ANNEX L

QUICK REACTION CAPABILITY (QRC) PROCEDURES

1. Purpose: This Annex prescribes a variation to the standard system management process for those systems that have critically short delivery schedules.

2. Objective: This Annex will facilitate the delivery of urgently needed projects on schedule, while maintaining the ability to obtain organizational and resource commitments and approvals. It defines emergency procedures that are consistent with the basic objectives of this Circular, but accepts the trade-off of some increased risk in compressing the time involved in the process.

3. Policy: Because the fundamental nature of a QRC project is a critically constrained schedule, the approach to applying NSA 5000 provisions to a QRC project is design-to-schedule. Also, since the specific nature and schedule of each QRC requirement is unique, it will be essential to clearly establish the extent and timing of applicable NSA 5000 documentation and reviews at the outset. Therefore, the submission of a QRC requirement must persuasively justify QRC status and chart the key project schedule events, to include the proposed subset of NSA 5000 procedures. QRC deployments will follow the standard transition procedures of NSA/CSS Circular 80-17. Planning must be put in place to determine how the QRC capability will be supported during its QRC status. No system should remain in a QRC status beyond six months of initial deployment.

4. Requirements: By definition, QRC requirements are submitted out-of-cycle and reviewed on an expedited case-by-case basis. These requirements must demonstrate that the operational capability is needed and that it must be provided sooner than the normal planning and programming process would permit. In addition, since the required resources must come, in nearly every case, from already programmed or planned programs, the sponsoring Key Component or sponsoring organization must nominate a resource trade-off by reprioritizing programs to accommodate the QRC requirement within fiscal guidance. Even funded programs may require resource trade-offs in order to accelerate investment or to begin programs in an earlier year.

5. Risk: All participants in the QRC review process must recognize that expediting an acquisition by bypassing or shortening some or all of the normal management steps increases risk in the areas of cost, schedule, performance, security (computer, operations, etc.) and supportability. Therefore, this added risk must be assessed and weighed against the urgency of satisfying the requirement to determine whether or not it is acceptable.

6. Procedures:

a. A QRC requirement which has been approved by an NSA/CSS Key Component or sponsoring organization is submitted to the SAE (thru DA/P&P) who validates or otherwise decides on the disposition of the requirement. The submission must include a statement of the mission need, a description of the proposal, an explanation of why time is of the essence, and a proposal for funding the initiative. DA/P&P will work with Key Component, SCE, and Service acquisition staffs to review proposed QRC requirements to assure QRC handling is warranted and to make required acquisition management and budgetary adjustments to satisfy critical mission needs.

b. If the SAE validates the requirement the sponsor prepares a brief management plan which contains a program description; acquisition and support responsibilities; the resource profile (dollars and manpower by fiscal year); and program milestones and coordination and review requirements (to include the proposed subset of NSA 5000 plans). Preparation of a Rapid Technology Management Plan (RTMP) to support QRC initiatives will normally be required. See Annex F for more information on the RTMP.

c. Minimum coordination for management plans is the Policy and Plans Group which will ensure distribution to the appropriate organizations. Coordination will be expanded to include other affected organizations, when appropriate. The coordinated management plan is submitted to DA/P&P. DA/P&P will monitor the schedule.

d. The System Commissioning Report (SCR) will be used to document discrepancies at time of deployment. The Key Component or sponsoring organization will remain responsible for continuing system support and resolving all documented discrepancies by the completion dates established by the SCR. The site commander will be responsible for formal determination of closure.

ANNEX M

TAILORING

1. Purpose:

Program documentation, acquisition phases, and the timing, scope, and level of decision reviews may be tailored to fit the management needs of individual acquisition programs. An example is a waiver of the concept exploration phase for a system comprised solely of commercial hardware and software.

2. Procedures:

a. Tailoring shall give full consideration to applicable statutes. The number of phases and decision points shall be tailored to meet the specific needs of individual Program Managers (PMs), based on objective assessments of a program's acquisition category status, risks, the adequacy of proposed risk management plans, and the urgency of the user's need. Tailored acquisition strategies may vary the way in which core activities are to be conducted, the formality of reviews and documentation, and the need for other supporting activities. PMs shall work with their decision authorities to tailor any documentation and decision points to the needs of the individual program.

b. When the justification for tailoring has not been specified in the MNS, tailoring requests--with supporting rationale--are submitted for review to DA/P&P for programs costing $5M or more and to the appropriate Key Component, SCE, or Service NSA 5000 focal point for programs below $5M. The Milestone Decision Authority (MDA) approves all tailoring proposals. Such approvals will be documented in the Acquisition Decision Memorandum (ADM) following each milestone decision review, and a courtesy copy of the ADM should be forwarded to DA/P&P for all programs. DA/P&P will monitor corporate tailoring activity to assure statutory requirements are not inadvertently tailored out and to determine if adjustments to the tailoring process are required.

c. Requests for tailoring shall be submitted in accordance with the appendix to this annex.

REQUEST FOR TAILORING

MEMORANDUM

DATE: _____

REPLY TO
ATTN OF: _____

SUBJECT: Request for Tailoring of _____
(Document, Phase, Milestone, etc.
for _____
(Program Name)

TO: DA131 for programs costing $5M or more

OR

Cognizant Key Component, SCE, or Service NSA 5000 focal point for programs below $5M

In the body of the memorandum provide the rationale for tailoring, the proposed tailored recommendation, and an assessment of the cost, schedule, performance, security, and support risks assumed by the program as a result of tailoring. These risks must be assessed and weighed to determine whether tailoring is appropriate.

ANNEX N

GLOSSARY OF ABBREVIATIONS AND ACRONYMS

ACDP	Acquisition Career Development Program
ACTD	Advanced Concept Technology Demonstration
ADDO (MS)	Assistant Deputy Director of Operations for Military Support
ADM	Acquisition Decision Memorandum
ADP	Automatic Data Processing
AlA	Air Intelligence Agency
AIS	Automated Information System
ALIPT	Acquisition Logistics Integrated Product Team
ALM	Acquisition Logistics Manager
ALSP	Acquisition Logistics Support Plan
ALSR	Acquisition Logistics Support Requirements
AMS	Acquisition Management System
AoA	Analysis of Alternatives
APB	Acquisition Program Baseline
ARB	Acquisition Review Board
ASD (C3I)	Assistant Secretary of Defense (Command, Control, Communications, and Intelligence
ASP	Acquisition Systems Protection
ATD	Advanced Technology Demonstration or Advanced Technology Development

BES	Budget Estimate Submission
BOA	Basic Ordering Agreement
BPA	Blanket Purchase Agreement
BSM WIPT	Business Strategy Meeting Working-Level Integrated Product Team
C3I	Command, Control, Communications, and Intelligence
C4ISP	Command, Control, Communications, Computers, and Intelligence (C4I) Support Plan
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance
CAIV	Cost As An Independent Variable
CALS	Continuous Acquisition and Life-Cycle Support
CCB	Configuration Control Board
CCP	Consolidated Cryptologic Program
CDR	Critical Design Review
CDRL	Contract Data Requirements List
CIO	Chief Information Officer
CJCS	Chief, Joint Chiefs of Staff
CM	Configuration Management
CNSG	Commander, Naval Security Group
CO	Contracting Officer
COMPUSEC	Computer Security
COMSEC	Communications Security
CONOP	Concept of Operations

COTS	Commercial Off-the-Shelf
CPBS	Capabilities Program and Budgeting System
CPI	Critical Program Information
CPIPT	Cost - Performance Integrated Product Team
CSS	Central Security Service
CSSA	Consolidated SIGINT Support Activity
C/SSR	Cost/Schedule Status Report
CTS	Cryptologic Training System
DAB	Defense Acquisition Board
DARP	Defense Airborne Reconnaissance Program
DAWIA	Defense Acquisition Workforce Improvement Act
DCIP	Defense Counterdrug Intelligence Program
DCN	Director Counternarcotics
DCP	Defense Cryptologic Program
DFARS Supplement	Defense Federal Acquisition Regulation
DIA	Defense Intelligence Agency
DII COE	Defense Information Infrastructure Common Operating Environment
DIRNSA	Director, NSA/Chief, CSS
DoD	Department of Defense
DOT&E	Director, Operational Test and Evaluation
DPA&E	Director, Program Analysis and Evaluation

DT&E	Developmental Test and Evaluation
DTSE&E	Director, Test, Systems Engineering and Evaluation
EC	Expenditure Center
ECCM	Electronic Counter - Countermeasures
ECM	Electromagnetic Compatibility
EMD	Engineering and Manufacturing Development
ESH	Environmental, Safety, and Health
EVMS	Earned Value Management System
FAR	Federal Acquisition Regulation
FHP	Family Housing Program
FINPLAN	Financial Plan
FOC	Full ~~Operating~~ Operational Capability
FOT&E	Follow-on Test and Evaluation
FFP	Firm Fixed Price
FY	Fiscal Year
FYDP	Future Years Defense Program
GAO	General Accounting Office
GC	General Counsel
GFE	Government Furnished Equipment
GPPC	Government Property in the Possession of Contractors
GPRA	Government Performance and Results Act
HCA	Head of the Contracting Activity

HSI	Human Systems Integration
IDIQ	Indefinite Delivery Indefinite Quantity
IGCE	Independent Government Cost Estimate
IIPT	Integrating Integrated Product Team
IMF	Integrated Management Framework
IA	Information Assurance
ICS	Intelligence Community System
INVCAT	Investment Category
INSCOM	United States Army Intelligence and Security Command
IOC	Initial Operational Capability
IOSS	Interagency OPSEC Support Staff
IPPD	Integrated Product and Process Development
IPT	Integrated Product/Process Team
IS	Information Security
ISS	Information Systems Security
ISSP	Information System Security Program
IT	Information Technology
IT OIPT	Information Technology Overarching Integrated Product Team
ITMRA	Information Technology Management Reform Act
JCS	Joint Chiefs of Staff
JPD	Joint Potential Designator
JROC	Joint Requirements Oversight Council

JTA	Joint Technical Architecture
KPP	Key Performance Parameter
LCCE	Life Cycle Cost Estimate
LCS	Life Cycle Support
LRIP	Low Rate Initial Production
MAA	Mission Area Analysis
MAIS	Major Automated Information System
MDA	~~Milestone~~ Major Decision Authority
MILCON	Military Construction
MILDEPs	Military Departments
MIPR	Military Interdepartmental Purchase Request
MNS	Mission Need Statement
MOEs	Measures of Effectiveness
MOPs	Measures of Performance
MOU	Memorandum of Understanding
NCS-21	National Cryptologic Strategy for the 21st Century
NSA	National Security Agency
NSA/CSSA	NSA Consolidated SIGINT Support Activity
NSS	National Security System
NTIO	National Tactical Integration Office
NTO	NSA Transformation Office
OAT&E	Operational Acceptance Test and Evaluation

OCNP	Operations Capability Needs Plan
O&M	Operation and Maintenance
OIPT	Overarching Integrated Product Team
OPI	Office of Primary Interest
OPSEC	Operations Security
ORD	Operational Requirements Document
OSD	Office of the Secretary of Defense
PBRG	Program Budget Review Group
PD	Purchase Description
PDRP	Program Deviation Reporting Process
PDR	Preliminary Design Review
PEO	Program Executive Officer
PM	Program Manager
PFMC	Program Focus Managers' Council
PMC	Production Management Council
PMO	Program Management Office
POC	Point Of Contact
POM	Program Objective Memorandum
PPBS	Planning Programming and Budgeting System
PR	Procurement Request
PRAB	Program Resource Allocation Board
PSA	Principal Staff Assistant
QRC	Quick Reaction Capability

R&D	Research and Development
RDT&E	Research, Development, Test, and Evaluation
RFP	Request for Proposal
RGS	Requirements Management System
RMG	Resource Management Group
ROI	Return on Investment
RTMP	Rapid Technology Management Plan
SAE	Senior Acquisition Executive
SALT	Senior Agency Leadership Team
SCE	Service Cryptologic Element
SIGINT	Signals Intelligence
SMO	Systems Management Officer
SOP	Standard Operating Procedure
SOW	Statement of Work
SPO	Special Program Office
SPI	Single Process Initiative
STET	System Test, Evaluation and Transition
STEP	Simulation, Test and Evaluation Process
T&E	Test and Evaluation
TEMP	Test and Evaluation Master Plan
TMP	Training Management Plan
UCA	Unified Cryptologic Architecture

UCS	Unified Cryptologic System
UFA	Unified Cryptologic Architecture Functional Area
USD (A&T)	Under Secretary of Defense (Acquisition & Technology)
USSOCOM	United States Special Operations Command
WIPT	Working - Level Integrated Product Team